UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/20
27 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 11 of the provisional agenda
UNDP

OTHER FUNDS AND PROGRAMMES

United Nations Volunteers

Report of the Administrator

CONTENTS

		Paragraphs	Page
I.	PURPOSE	1	4
II.	UNV: KEY EVENTS FROM 1996 TO 1997	2 - 28	4
	A. An evolving profile	2 - 5	4
	B. Key events during the biennium	6 - 9	5
	C. Illustrative examples of the UNV programme record during the biennium	10 - 28	7
III.	TOWARDS THE YEAR 2000: CHALLENGES AND OPPORTUNITIES	29 - 43	12
	A. Lessons learned from programme reviews	30 - 31	13
	B. Internal management audit exercise	32 - 33	13
	C. Special Voluntary Fund	34 - 40	14
	D. Budget strategy	41 - 42	16
	E. International Year of Volunteers	43	16

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CONTENTS (continued)

		Paragraphs	Page
IV.	EXECUTIVE BOARD ACTION	44	17

Annexes

I.	United Nations Volunteers resource planning table	18
II.	Bonn declaration	20

SUMMARY

Unprecedented changes in the economic, social and political spheres are bringing benefits to some and increased impoverishment to many others. A beacon in the struggle to address poverty concerns is the spectacular growth in the past decade of both organized and spontaneous volunteer response. The United Nations Volunteers (UNV) programme continues to demonstrate, through its universality, its outreach to the more disadvantaged population groups, and its flexibility and willingness to adapt and change, that it is a valuable partner of Governments and civil society in helping to harness volunteer contributions to move the international agenda forward. The biennium 1996-1997 marked a watershed in the life of UNV with the relocation of its headquarters and the launch of Strategy 2000. At the close of the biennium, UNV was able to report the highest number of serving UNVs and the most diversified programme in its 27-year history. UNV is cognizant of the findings of external and internal reviews undertaken during the biennium, and is now well under way to improving the quality of its service to meet the high standards set by donors and programme countries alike and to ensuring the systematic documentation, replication and scaling-up of volunteer contributions. Taken together with speedier fielding and tighter monitoring of impact, these measures will help expand and strengthen the role of the UNV programme as a global advocate for volunteering and to demonstrate that volunteer efforts constitute a real development choice as the International Year of Volunteers in 2001 approaches.

I. PURPOSE

1. The present report responds to Governing Council decision 92/2 requesting the United Nations Volunteers (UNV) programme to report on a biennial basis, which was reaffirmed in Executive Board decision 96/32.[1] The report summarizes the key features and achievements of UNV work in the last two years, and outlines the vision and strategic directions adopted by the programme as it charts its course into the next century within the overarching context of United Nations reform. In this connection, the advice and action of the Executive Board is sought, specifically on UNV plans as it prepares for activities in the next two years and for the International Year of Volunteers, 2001.

II. UNV: KEY EVENTS FROM 1996 TO 1997

A. An evolving profile

2. The past two years have witnessed a period of growth and change for UNV that has touched its programme, UNVs and its partners. The range of work of the UNVs and their roles have evolved rapidly to keep pace with changes in the global environment and the needs of developing countries. While support to development cooperation and extensive involvement with community work remain the hallmarks of the programme, the trend in the previous biennium towards diversification of UNV activities into the areas of humanitarian and emergency relief, peace-building and electoral support, resettlement of demobilized soldiers and human rights education has resulted in a new profile for the programme overall. The underlying characteristic remains, however, the matching of the solidarity of volunteers with the needs of the vulnerable and marginalized population groups with whom they serve.

3. The changing profile of UNV has been accompanied by the progressive introduction of greater flexibility in the terms and conditions of service for volunteers as well as the further broadening of volunteer profiles and their areas of work, to include, in addition to international UNV specialists and field workers, national UNVs (NUNVs), short duration humanitarian relief UNVs, locally contracted eco-volunteers, United Nations agency-supported HIV/AIDS and cultural heritage UNVs, United Nations International Short-Term Advisory Resources (UNISTAR) assignments involving the private sector, and the Transfer of Knowledge through Expatriate Nationals (TOKTEN) modality. New partnerships forged during the biennium with, for example, the European Union, the Organization for Security and Cooperation in Europe, with United Nations bodies such as the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Children's Fund (UNICEF), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations International Drug Control

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[1] Current usage in the United Nations Volunteers programme of the acronym UNV is: (a) the organization is referred to as the UNV programme or as UNV; (b) an individual volunteer is referred to as a UNV (who may be either a UNV specialist or a UNV field worker), the plural of which is UNVs; (c) a national UNV is referred to as such or as an NUNV, the plural of which is NUNVs. The current usage is respected in the present report.

Programme (UNDCP), the United Nations High Commissioner for Human Rights (UNCHR) and the Office to Combat Desertification and Drought (UNSO), and with some civil society organizations have already resulted in joint endeavours in programme countries. The initiative to promote the full involvement of people directly touched by the very issues being addressed was intensified. This clear expression of the participatory nature of the UNV programme included the mobilization of eco-volunteers, artisans, returnee refugees, indigenous people, and HIV/AIDS-infected individuals to serve as NUNVs in their communities. Finally, the trend continues towards more diversified sources of funding for volunteer assignments.

4. The table below summarizes key features of the UNV programme over the present and last biennium.

UNV PROGRAMME: SOME PRINCIPAL INDICATORS FOR 1994-1997

UNVs/years	1994	1995	1996	1997
Total UNVs serving throughout year	3 502	3 263	3 242	3 620
Serving as of 31 December	2 085	2 190	1 988	2 302
RATIO OF UNVs (31 December figures)				
From industrialized countries	27%	26%	28%	30%
From developing countries	73%	74%	72%	70%
GENDER (based on 31 December figures)				
Male	73%	70%	67%	65%
Female	27%	30%	33%	35%

5. The table shows: (a) the overall growth of the programme, notwithstanding a six-year low in the numbers of serving UNVs recorded at the end of 1996, reflecting the temporary disruption occasioned by the relocation of UNV headquarters in July 1996; (b) the programme's universality. This is further highlighted by the fact that the number of countries from which UNVs were recruited has increased (in absolute figures) from 125 to 144 over the biennium; and (c) the evolving gender balance, with women now representing 35 per cent of all serving UNVs, up from 27 per cent in 1994. Women constitute over half the 70 UNV Programme Officers serving in UNDP country offices (60 funded from the biennial support budget of UNV and 10 from other resources).

B. Key events during the biennium

6. Strategy 2000 was launched at the beginning of 1997, following a consultative and participatory process undertaken over an 18-month period during

which inputs were collected from more than 400 internal and external stakeholders. It provides UNV and its partners with a frame of reference for the scope and direction of the programme from 1997 to 2000. The strategy combines pro-active programme development, in the context of follow-up to global conferences, with the need to ensure responsiveness to the demands of partners in the programme countries.

7. The major event during the biennium in the implementation of the first track of Strategy 2000, pro-active programme development, was the holding of the Fourth UNV Intergovernmental Meeting (IGM) in Bonn in December 1997 to debate the topic "A Globalizing World: Roles for Volunteers?". It also provided an opportunity for UNV to seek further guidance on the directions mapped out by Strategy 2000 in the three areas of focus: (a) urban development; (b) environmental management; and (c) preventive and curative development. Over five days, some 300 representatives of Governments of industrialized and developing countries, volunteer-sending organizations, national and international non-governmental organizations (NGOs), United Nations specialized agencies and UNDP reviewed examples of the proactive side of the UNV programme and shared common lessons. The proceedings culminated with the adoption of a comprehensive statement referred to as the Bonn Declaration (see annex II).

8. Several key messages emerged from the fourth IGM. UNV was urged to expand and strengthen its role as a global advocate for volunteers and for volunteering as a real development choice. UNV was also enjoined to capitalize on its comparative advantage of serving the broad United Nations system with a presence at the grass-roots level, combined with ready access to Governments. These two things, taken together, provide significant opportunities for emphasizing the human face of the United Nations. The IGM recommended that UNV work to increase access for volunteer assistance to international development cooperation institutions, regional organizations and the private sector, and that it develop innovative partnerships with civil society. It also recommended that UNV continue to ground its work in community-based participatory approaches. The IGM welcomed UNV contributions to the strategic analysis of volunteer contributions in development and stressed that, to remain relevant and vibrant, UNV should strive to enhance its capacity as a learning organization by studying the impact of volunteer experiences on the front lines of development and to apply the lessons learned. It also encouraged UNV to raise awareness of volunteer action by documenting and disseminating best practices and sharing these with partners to assist in the scaling-up of successful approaches. Finally, the proclamation by the General Assembly of the year 2001 as the International Year of Volunteers was welcomed as an important step for recognizing, facilitating, networking and promoting the work of volunteers.

9. The main event marking efforts to implement the second track of Strategy 2000, ensuring responsiveness to the needs of partner programme countries, was the undertaking in Spring 1997 of a comprehensive workflow analysis of the operational processes of fielding and supporting UNVs. The objective was to identify measures to ensure higher quality support to serving volunteers and to provide quicker, simpler service geared to ensuring partner/client satisfaction. As follow-up to the recommendations of the analysis, three cross-functional task forces were set up to address: (a) issues of simplifying the application of UNV conditions of service; (b) streamlining

the volunteer identification and recruitment process; and (c) reviewing the computerized volunteer management system. Notable results have been:

(a) The realignment of internal processes and structures to ensure a substantial reduction in the time needed to process the recruitment of a volunteer;

(b) The streamlining and simplification of current conditions of service for international UNVs, drawing extensively on the experience and procedures developed for the rapid recruitment and deployment of volunteers for short-duration humanitarian intervention;

(c) A volunteer assignment compact, administered in a quick, decentralized manner, providing individual volunteers with more choice and flexibility by monetizing travel and terminal expenses, unaccompanied shipment costs and home-leave entitlements;

(d) Measures taken to establish user-interface guidelines for the computerized volunteer management system, centring on modernizing the look and feel of the system to take advantage of new windows-based technology. Training has been stepped up to reinforce familiarity with the operations of the system among newer staff in UNV;

(e) Monthly reporting to, and quarterly stocktaking by, UNV Senior Management of the key trends and indicators of UNV activities.

C. Illustrative examples of the UNV programme record during the biennium

10. Six main areas of UNV support during the biennium were (a) poverty eradication; (b) humanitarian relief; (c) post-conflict rehabilitation; (d) TOKTEN; (e) UNISTAR; and (f) innovative pilot initiatives.

1. Poverty eradication

11. In addressing poverty, and in accordance with the 1995 Copenhagen Declaration and Programme of Action on Social Development, UNV is engaged in working with self-help organizations of people living in poverty. Participatory approaches help to ensure that these programmes, designed to combat poverty, build on people's own survival strategies. The UNV presence at the grass-roots level facilitates the outreach of United Nations programmes to the most vulnerable and marginalized groups in a manner that is appropriate at the local level.

12. Community development in the Central African Republic. During 1996-1997, a total of 54 international and national UNVs have carried out community development activities within the framework of UNDP assistance to the National Poverty Eradication Programme in Central African Republic. Through partnership with indigenous NGOs in different regions of the country, the UNVs have helped more than 130 communities to develop approximately 170 micro-enterprises in

areas such as agriculture and crafts. To facilitate these income-generating activities, a literacy programme was carried out, using the PARAFI (Parapluie alphabétisation fonctionelle intensive) model developed in Burkina Faso: 280 villagers - the majority of whom were women - completed a 48-day functional-literacy training programme and became themselves trainers in their own communities.

13. Poverty alleviation in Mongolia. Since 1996, 51 UNVs have been supporting the UNDP contribution to the multidonor-funded National Poverty Alleviation Programme. Serving under difficult living conditions in Mongolia's remote rural areas, mixed teams of international and national UNV specialists and community workers have supported capacity-building in areas of programme implementation, management, monitoring, and documentation of lessons learned. While many of the UNVs developed micro-credit facilities to support local development initiatives, others served in the areas of gender in development, skills training, and income-generation activities. Finally, the UNVs also supported the preparation of Mongolia's first human development report.

14. Community participation in protected areas in Cambodia. The Angkor Park, containing temples and monuments dating from the 8th to the 14th century, is an environmentally protected zone. The local inhabitants, many of whom live in poverty, are prohibited from clearing more land in the zone and from cutting down trees and brush to use and sell as firewood. Since 1995, UNV has been implementing a four-year pilot project geared to supporting the communities while protecting the natural environment and preserving the zone's cultural heritage. A mixed team of eight international and national UNVs works with the communities and in partnership with the local government authorities, UNDP and UNESCO in initiating and implementing sustainable small-scale activities in selected villages in Angkor Park through the use of participatory action research. The project has assisted the villagers to plant new rice varieties, improve water supply, plan new projects, use organic fertilizers and undertake their own resource mobilization.

2. Humanitarian relief

15. The contribution of UNVs in emergency activities is marked by solidarity and empathy with people whose lives have been devastated. In the biennium, over 3,500 professional women and men have dedicated their time and skills through short-term field-service assignments with UNV. They served in emergency relief, support and protection of refugees and internally displaced persons, human rights promotion and monitoring and post-conflict and peace-building activities. In addition to addressing immediate needs, the work for UNV extends to supporting local capacity-building as countries move from relief to rehabilitation, reconstruction and longer-term development. New arrangements with key partners were established with the Department of Peacekeeping Operations (DPKO), the International Office for Migration (IOM), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations High Commissioner for Human Rights (UNCHR), the World Food Programme (WFP), and with regional organizations such as the European Union and the Organization for Security and Cooperation in Europe (OSCE). NUNVs were introduced for the first time in confidence-building and peace-building efforts in Armenia, Bosnia,

Burundi, Georgia, the occupied Palestinian territory and Rwanda to strengthen national efforts in addressing and tackling the gamut of complex issues immediately inherent in post-conflict situations.

16. Former Yugoslavia. In post-war Bosnia-Herzegovina, over 60 UNVs assisted UNDP, UNHCR, IOM and WFP in repatriation and rehabilitation activities. Simultaneously, in 1996-1997, (and acting upon the Dayton Accords call for national elections) OSCE requested UNV to provide over 800 regional election coordinators and electoral observers. For the subsequent municipal elections in Bosnia-Herzegovina as well as for elections in the Republic of Srbska, the OSCE turned again to UNV to recruit and field some 800 electoral observers. As a result of a joint collaborative effort with IOM and the Government of Germany, former Yugoslavian refugees in Germany have been helped to return and reintegrate into social and economic life in Bosnia-Herzegovina. Over 120 professional Bosnian nationals and their families were provided with an appropriate corridor to return to their homeland to serve as NUNVs. They were able to contribute to rebuilding livelihoods through rehabilitation and reconstruction work within community-based projects identified through the UNDP office in Sarajevo, United Nations specialized agencies, bilateral programmes, international and national NGOs and community-based organizations.

17. White Helmets. UNV has strengthened its collaboration with the White Helmets Initiative (WHI), created by the Government of Argentina. In response to the 1996 Executive Board recommendations, 20 humanitarian relief activities have been implemented in 20 countries during the biennium with financial support from the Governments of Argentina, France and Germany, including complementary cost-sharing arrangements using UNDP target for resource assignment from the core (TRAC) line 1.1.3. funding. Recognition of the appropriateness and effectiveness of the UNV/WHI facility is highlighted by the total of $1.8 million in donor contributions to the UNV/WHI special window of the Special Voluntary Fund (SVF) during 1996-1997. During this period, 95 per cent of these funds were spent in recruiting over 50 national UNV/WHI specialists, who have served in mixed teams with some 20 international UNV/WHI specialists in emergency humanitarian relief operations, and in post-conflict peace-building activities in Angola, Gaza and the West Bank, and elsewhere.

3. Post-conflict rehabilitation

18. Once conflict is over and people directly affected are able to turn to rebuilding their societies, UNVs have a crucial role to play in ensuring that the elements that contributed to the crisis do not re-emerge. Whether through support for the promotion of basic human rights, ensuring sustainable livelihoods in rural areas or channelling the energy of youth into social initiatives, the contribution of UNVs has been significant.

19. Human rights in Guatemala. A team of over 200 UNV human rights monitors, half of them women, assisted the United Nations Human Rights Verification Mission in Guatemala (MINUGUA) to reach out to remote communities. The UNVs met tens of thousands of indigenous peoples (mostly non-Spanish speakers) in their remote villages and informed them, for the first time, of the progress in peace negotiations and explained their human rights. The UNVs were perceived as

neutral and a forum where Guatemalans could go to recount the abuses they had suffered. An important feature of the programme was that, for the first time in the history of similar United Nations missions, a group composed of 20 indigenous professionals from ethnic groups drawn both from Guatemala and elsewhere in Latin America was specially assigned to verify the implementation of the Agreement on the Identity and Rights of the Indigenous Groups of Guatemalans. The MINUGUA UNVs, coming from 31 countries, were singled out by the Secretary-General for special thanks and praise in two successive reports to the General Assembly.

20. Community-based youth participation and development project in the West Bank and Gaza Strip. In 1996, UNV initiated its work in the youth sector, highly fragmented after 30 years of conflict. Young Palestinians in the West Bank and Gaza Strip have been mobilized to play a more active role at local, regional and national levels to overcome the limited opportunities for training and employment. The strategy used NUNVs to stimulate increased community voluntary activity at existing youth centres. Through incentives such as training, local youth were identified to work as community volunteers, mobilizing other young people to participate in sports-related activities arranged at their local community youth centres. Based on findings from an evaluation conducted in mid-1997, project activities were extended from sports to cultural, social and civic activities, to increase community participation, particularly that of women, children and the disabled. These activities are being expanded to other centres in the Gaza Strip and West Bank and more young people are being engaged as volunteers.

21. Post-conflict resolution in Mozambique: A changing role for UNV. UNVs have been serving in Mozambique's peace-building efforts since the early 1990s. First, providing emergency support through food-aid distribution and health care. With the signing of the Peace Agreement in 1992, the UNV programme focused on supporting the peace process. Today, the emphasis is on long-term development efforts. This steady support to Mozambique has helped to establish UNV credibility as a development partner. The current UNV programme involves 37 international and national UNVs working in mixed teams assigned to rural areas in Gaza, Inhambane, Manica, Maputo, Sofala and Tete, provinces. They support local efforts to improve community organizations, market rural products, access clean water and health services, ensure the sustainable use of natural resources and start small businesses. In addition, 23 UNV electoral advisers are supporting the National Election Commission in preparing the upcoming local elections.

4. Transfer of Knowledge through Expatriate Nationals (TOKTEN)

22. The TOKTEN programme, firmly rooted in the principle of volunteering, has a valuable role to play in countries where circumstances are conducive to the contribution that some of their expatriate citizens can make. The relatively low cost of TOKTEN advisors, their cultural affinity and linguistic background, and their acceptance by the host country makes this modality an attractive option for its users. While managed at the country level by the UNDP country office, there is scope for UNV to ensure more systematic collection, collation

and dissemination of information on best practices and to advocate more widespread application of the TOKTEN modality.

23. TOKTEN was operational in 20 counties in the biennium with over 700 advisory missions fielded. Examples of the types of impact resulting from the missions include: introducing the United States Library of Congress classification system to Polish university libraries; drafting the first income-tax law in the occupied Palestine territory; transferring latest know-how on fibre-optic communication systems in the Islamic Republic of Iran; overhauling the management system in the Philippines Overseas Employment Office; developing genetically engineered plants to combat desertification in the upper Yellow River region of China; and designing curricula for maths education of schoolgirls in Uganda. In addition to direct technical support, the TOKTEN programme has also resulted in well-qualified and experienced expatriates relocating to their countries of origin.

5. United Nations International Short-term Advisory Resources (UNISTAR)

24. The significant contribution of UNISTAR to enhancing the capacity of private and public enterprise in developing and transition countries through the provision of short-term highly qualified volunteer advisors is built upon its global network of major corporations, small and medium enterprises and trade associations. The potential of employee-volunteering in the context of international development is vast and UNV continues to explore avenues to direct more of this talent towards meeting development concerns.

25. UNISTAR was active in 20 countries in the biennium with a total of 157 assignments. Its work was marked by expanded collaboration from its three key donors, the Governments of Ireland, Italy and Japan. Requests for highly qualified short-term volunteer advisors, met from private and public sector organizations in developing countries and from countries in transition, included: the analysis of design, marketing and production issues faced by manufacturers in such diverse businesses as jewellery, garments and auto parts manufacture in China; textiles in Morocco; shoe manufacturing in Ethiopia; the marketing of herb production in Argentina; and the development of a Masters of Business Administration programme in Viet Nam. UNISTAR also played a part in post-crisis reconstruction programmes in Angola through the development of industrial safety standards, in rural Albania with the redesign of municipal water and sewage systems and in Mozambique with the drafting of documentation needed to establish electricity regulations.

6. Innovative pilot initiatives

26. Underlining many innovative initiatives set in motion through contributions from the UNV Special Voluntary Fund is the full participation of people most immediately concerned. When individuals such as village environmentalists or HIV-infected persons are drawn into UNV-supported programmes, it sends a powerful message deriving from the relevance of their knowledge, skills and

wisdom and ensures a more ready acceptance of the United Nations presence on the part of communities touched.

27. HIV/AIDS. In addressing the HIV/AIDS epidemic, UNV has focused primarily on community-oriented approaches. Mixed teams of international and national UNVs have supported National AIDS programmes in a number of least developed countries in Africa and Asia (e.g., Uganda, Zambia, Nepal) in the areas of information, education and communication; training and counselling; home-based care activities; and in the strengthening of local self-help groups and the creation of support networks. As a follow-up to the Paris AIDS Summit of 1994, and in close collaboration with UNDP and UNAIDS, UNV took up the challenge of promoting the greater involvement of people themselves living with HIV/AIDS in programmes for which they have been treated traditionally as passive target groups. The first pilot project, launched in Malawi and Zambia in 1997, is empowering people living with HIV and AIDS, to build-up solidarity and to promote "best practices". Financed initially through the UNV SVF and with technical backstopping from UNAIDS and UNDP, some 20 NUNV posts were established in both countries to support the engagement of those infected and affected by the epidemic as counsellors, peer educators, trainers and project coordinators in various institutions including national AIDS control programmes, international and national NGOs, public and private hospitals, and relevant government institutions, including the army. With the assistance of UNDP, a monitoring and evaluation framework has been designed to ensure timely and appropriate feedback on the project activities.

28. Eco-volunteers: A global grass-roots response to Rio. The concept of the "eco-volunteer" grew out of discussions between UNV and several NGO representatives attending the Earth Summit in 1992. It builds on the capacity that already exists in members of many local communities for solving environmental problems and seeks to strengthen and extend their reach as change agents. Together with two NGO networks - Environment Liaison Centre International (ELCI), based in Nairobi and International Secretariat for Water (ISW), based in Montreal, UNV established a network of national and local NGOs in 14 countries in Africa, Asia, Latin America, together with Canada, which joined this experiment to promote the work of the first generation of eco-volunteers. In all, 17 NUNVs and some 160 eco-volunteers worked for three years under this programme, which was completed in 1997. Examples of eco-volunteer work are: in India, barefoot solar technicians (most of them women) maintain their solar unit in their villages; in South Africa, eco-volunteers from informal community-based organizations work in townships, peri-urban areas, and rural communities to promote environmental and human rights education; and in Ecuador, eco-volunteers support community organization in neighbourhoods situated on the fragile slopes of the Pichincha volcano.

III. TOWARDS THE YEAR 2000: CHALLENGES AND OPPORTUNITIES

29. The challenges and opportunities faced by UNV as it moves towards the new century have crystallized during the current biennium. First is the imperative for UNV to become a learning organization, building on five external reviews undertaken in 1995-1996, which examined areas of corporate relevance and on the internal management audit exercise that took place in late 1997. Second is the

need to further the strategic use of the Special Voluntary Fund, particularly in order to (a) enhance UNV capacity to monitor and evaluate and (b) empower the UNV programme officers to undertake programme development functions. Third is the mandate given to UNV by the General Assembly to be the focal point for preparations, implementation and follow-up of the International Year of Volunteers in 2001.

A. Lessons Learned from Programme Reviews

30. To take stock of the evolving profile of UNV, a series of reviews were undertaken in 1995-1996 focusing on five areas of corporate concern: the use of NUNVs; humanitarian assistance, peace-building and democratization activities; decentralized facilities and community-focused work; the design and implementation of the Special Voluntary Fund; and the role of UNV as an executing agency. To consolidate and help to internalize the findings of these reviews, UNV undertook an exercise in 1997 to synthesize the lessons learned. The following generic conclusions emerged as important to future UNV activities:

(a) The contributions of qualified and motivated UNVs have been successful in supporting the work of a range of new and strategic partners, including Governments, United Nations specialized agencies and civil society organizations;

(b) UNVs are progressively widening the outreach and enhancing the presence of the United Nations system at the grass-roots level, especially in rural areas.

31. Cross-cutting recommendations highlighted the following areas as needing swift and focused corporate attention:

(a) Upgrading the briefing and support provided to the UNVs to ensure their full efficiency and effectiveness;

(b) Decentralizing programme development functions and strengthening the role of the UNV programme officers serving in UNDP country offices;

(c) Ensuring that UNV partners have a clear grasp of the comparative advantages of UNV;

(d) Establishing a more formalized learning framework to help the UNV programme to use lessons learned from programme implementation and from the experiences and insights of the UNVs.

B. Internal management audit exercise

32. The UNDP Office of Audit and Performance Review (OAPR) undertook a management audit of UNV in September-November 1997, which was conducted using the new accountability framework of UNDP based on the "criteria of control" approach to audit and accounting. This audit was of particular utility and relevance to the organization in light of the fact that the last internal audit

of UNV was done over ten years ago. It yielded results which both validated the corrective measures that had been initiated during the biennium by UNV and highlighted priority areas for action in 1998.

33. An audit follow-up action plan was formulated in December 1997, during a return mission of OAPR, which specifies indicators of performance, responsible units and deadlines. This plan has been incorporated into individual unit work plans for 1998 and implementation is monitored by the Executive Coordinator on a monthly basis. Priority areas for follow-up in 1998 are: the continued improvement of current financial management, oversight and control measures; a review of staff training needs in respect of the volunteer management system to ensure that the facilities offered by the system are used consistently; closer attention to human resource planning and management; a reappraisal of the cost-effectiveness of the roster operations located in the Cyprus Off-Shore Processing Centre; measures to improve monitoring and support of serving UNVs; and revamped briefing and orientation of new recruits. The formulation and implementation of annual training plans, based on a comprehensive needs analysis, has also been given prime attention for 1998.

C. Special Voluntary Fund

34. The analysis and reconciliation of the resources available to the SVF has proven to be complex. When the SVF was approved by the Governing Council in its decision 88/38, its purpose was to provide resources to fund pilot and experimental projects and the external costs (travel and resettlement allowances) of UNVs. By 1992, the Governing Council had approved the full charge of external costs to projects, allowing the major portion of the Fund to be used for pilot and experimental projects and absorbing the minimal difference between pro forma and actual costs, if the need arose. While a preliminary analysis was done in October 1997 just prior to the audit, a complete reconciliation of the Fund was completed in early 1998, taking into account all sources of funds. This has resulted in a projected balance of resources at 31 December 1997 of $23.5 million. Of this amount, $1.8 million results from the accumulated excess of pro forma costs over actual costs. Having considered the recommendations of the internal management audit regarding the use of the $1.8 million, UNV is proposing to utilize the amount for purposes identified by the auditors as critical, as indicated in paragraph 39 below.

35. The accumulation of resources arose as a result of several factors, including the non-availability of accurate financial information, disruptions resulting from the move to Bonn and resultant staff changes. In light of these factors, UNV had adopted a conservative approach to project approvals. As more precise financial information is available and the system has been strengthened to ensure the reliability of resource projections and monitoring, steps have been taken to revitalize the approval of projects in strategic and growth-producing programme arenas.

36. The projected balance of the Fund from voluntary contributions and interest income, net of expenditures on pilot and experimental projects, is currently $21.7 million, discounting the surplus of external costs of $1.8 million. As of February 1998, of $21.7 million, $13.6 million was committed for approved

projects and external costs of serving UNVs. Of the remaining resources of $8.1 million, there is a pipeline of $5.8 million, leaving uncommitted resources of $2.3 million.

37. Included in the commitments of $13.6 million is the sum of $800,000 allocated for use by the 70 UNV programme officers ($700,000) and UNV headquarters ($100,000) during 1998 to initiate and formulate innovative projects falling strictly within the SVF guidelines provided by the Executive Board. Funds will be made available to the UNV programme officers, to enable them to enhance contributions of UNVs to the programmes and facilitate their ability to take creative initiatives in the field. Key to the success of this effort is an effective monitoring procedure at headquarters. The activities will be carefully reviewed and evaluated by UNV headquarters through reports submitted twice yearly by the UNV programme officers. A thorough evaluation will be undertaken in 1999.

38. Of the uncommitted resources of $2.3 million, UNV plans on using $500,000 to strengthen the evaluation function to enable UNV to become a learning organization. The funds will be used to finance strategic, thematic and cross-cutting evaluations that will enable UNV to draw lessons for the future, including the documentation and dissemination of instructive practices. Limited resources are presently available for these types of evaluations, which are crucial in enabling UNV to be fully accountable for the impact of its activities. Future funding of such evaluations up to an annual amount of $250,000 will be provided from income to the Fund. The balance of remaining resources will be programmed during the year.

39. It is proposed that the surplus of pro forma costs over actual costs, amounting to $1.8 million, which has accumulated over the past decade, be used to fund those critical areas highlighted in the audit report. While several of the items have been addressed, e.g., strengthening of the financial system and an annual review of the pro forma costs so that they may be adjusted in line with changes in the average actual costs, others lack funding. These measures should reduce or eliminate similar accumulations in future. The areas to be addressed are:

(a) Production of operational manuals to document the policies and procedures for the recruitment and management of UNVs, programming guidelines for UNV-executed projects and the revised Conditions of Service for United Nations Volunteers (estimated cost $300,000);

(b) Preparation of a pre-assignment briefing and orientation package for new UNVs upon their arrival at their duty stations (estimated cost $100,000);

(c) Strengthening of monitoring functions by UNV programme officers and UNV headquarters staff, as stressed in the internal audit as a prerequisite to ensure the relevance of UNV work (estimated cost $500,000 for the biennium). In the future, supplementary funding of $250,000 per annum for monitoring activities will be provided from income to the Fund;

(d) Provision of a reserve for security and medical evacuation needs (estimated cost $900,000 for the biennium). UNV is facing increasing costs for

security and medical evacuations, personal safety measures and its share of inter-agency field security measures. These costs cannot always be predicted or controlled. It is planned to replenish the reserve by provision for such costs within the proforma cost of UNVs.

40. The proposals above are summarized as:

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Operational manuals	300 000
Pre-assignment briefing and orientation package	100 000
UNV programme officer and headquarters monitoring	500 000
Reserve for evacuations and security costs	900 000
Total:	1 800 000

D. Budget strategy

41. In its decision 97/24, the Executive Board approved the UNDP budget estimates for the 1998-1999 biennium, which included gross budget estimates for UNV of $30.9 million to be offset by $1.0 million of income relating to the reimbursement by United Nations specialized agencies of part of the support cost for UNVs financed through their programmes. The reimbursement would be equivalent to 10 per cent of the direct costs of UNVs. This is consistent with procedures already in effect for UNVs under trust funds, memoranda of understanding with the United Nations Secretariat and other international organizations.

42. Of particular note is the revised staffing formula for supplementing UNV headquarters staff, which was reviewed by the Administrator in response to paragraph 45 of Executive Board decision 95/28. As a result, the UNV budget now comprises: (a) a fixed component covering a basic management structure for the programme as a whole, including the various activities carried out by UNV under its mandate as the principal custodian of international volunteerism; and (b) a variable component based on a revised staffing formula to cover operational support to the fielding of volunteers. This new formula covers volunteers financed from UNV regular resources and incorporates additional economies of scale. Budget adjustments based on the application of the formula will be made on a biennial basis. It is noteworthy that at 31 December 1997, under this revised staffing formula, UNV would have earned 2.5 additional staffing units were the adjustment to be made annually.

E. International Year of Volunteers

43. The role of UNV in the implementation of International Year of Volunteers in 2001 was clearly enunciated at the fifty-second session of the United Nations General Assembly. UNV will work in close collaboration with other organizations

of the United Nations system and with Governments and international and national volunteer and non-governmental organizations in identifying ways and means of enhancing the recognition, facilitation, networking and promotion of volunteer service. It is anticipated that the Year could make a significant contribution to generating increased awareness of the achievements and further potential of volunteer service, to encouraging offers of service from a greatly expanded number of individuals and to channelling resources to augment the effectiveness of such service. In this respect, the Year is expected to enrich the work of UNV described elsewhere in the present report.

IV. EXECUTIVE BOARD ACTION

44. The Executive Board may wish to:

1. Note the diversity in the range of work of the United Nations volunteers and their roles, the growth of the United Nations Volunteers programme overall and, in particular, the achievement of reaching the largest number of serving volunteers;

2. Also note the key messages of the Fourth Intergovernmental Meeting, captured in the Bonn Declaration;

3. Commend the United Nations Volunteers programme for continuing its efforts to ensure relevance through the launching and implementation of Strategy 2000;

4. Note the issues identified by the internal management audit and recognize the work under way by the United Nations Volunteers programme to respond to its findings;

5. Welcome the decision of the General Assembly at its fifty-second session to proclaim 2001 as the International Year of Volunteers;

6. Endorse the proposals for the use of the one-time Special Voluntary Fund surplus totalling $1.8 million to implement the recommendations of the internal management audit;

7. Decide that it is appropriate to finance from the Special Voluntary Fund strategic and cross-cutting thematic evaluations and to supplement the monitoring of United Nations volunteers and projects executed by the United Nations Volunteers programme.

Annex I

UNITED NATIONS VOLUNTEERS RESOURCE PLANNING TABLE

PROJECTED RESOURCE AVAILABILITY AND UTILIZATION OF RESOURCES
(in millions of United Nations dollars)

	1996-1997			1998-1999		
	SVF	Other resources	Total	SVF	Other resources	Total
Resources available						
Opening balance[1]	12.8	17.7	30.5	23.5	22.2	45.7
Income						
Contributions	7.9	87.6	95.5	8.0	93.4	101.4
Interest and miscellaneous income	3.0	1.3	4.3	2.1	1.6	3.7
Proforma external costs charged to project budgets	7.9	–	7.9	7.8	–	7.8
Biennial support budget, net (UNDP regular resources)[2]	–	34.4	34.4	–	29.9	29.9
Total	31.6	141.0	172.6	41.4	147.1	188.5
Use of resources						
A. Pilot projects	2.8	–	2.8	8.0	–	8.0
B. Other programmes	–	81.7	81.7	–	95.5	95.5
C. Programme support						
1. Support costs	–	2.7	2.7	–	2.8	2.8
2. Biennial support budget (net)[2]						
Programme officers	–	4.5	4.5	–	6.0	6.0
Programme support and management administration	–	25.5	25.5	–	23.9	23.9
D. Actual proforma external costs	5.3	–	5.3	9.6	–	9.6
Total	8.1	114.4	122.5	17.6	128.2	145.8
Balance of resources at 31 December[1]	23.5	26.6	50.1	23.8	18.9	42.7

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	1996-1997			1998-1999		
	SVF	Other resources	Total	SVF	Other resources	Total
Commitments for future years (as at 31 December)						
External costs	4.2	–	4.2	5.0	–	5.0
Experimental pilot project	5.9	–	5.9	11.0	–	11.0
Other programmes	–	18.3	18.3	–	16.7	16.7
Total commitments	10.1	18.3	28.4	16.0	16.7	32.7
Balance of uncommitted resources (Surplus/deficit as at 31 December)	13.4	8.3	21.7	7.8	2.2	10.0
Total number of serving volunteers (for biennium)	400	3 890	4 290	900	5 600	6 500

[a] Refers to Executive Board decisions 96/41 and 97/24; unutilized balance at the end of the biennium reverts to the Regular Resources of UNDP.

Annex II

[United Nations Volunteers]

DECLARATION OF THE FOURTH UNITED NATIONS
VOLUNTEERS INTERGOVERNMENTAL MEETING

Bonn, Germany
4 December 1997

We, the participants in the 4th Intergovernmental Meeting (IGM) of the United Nations Volunteers (UNV) programme, representing Governments and National Focal Points, Co-operating Organisations, national and international Non-Governmental Organisations, and the United Nations Development Programme (UNDP) and other members of the UN family, issue this Declaration as a result of our deliberations during this IGM, jointly hosted by the Government of Germany and UNV.

We recognise the considerable progress of the UNV programme in meeting the expectations expressed in the Kathmandu Statement of the 3rd IGM, held in 1991. The continuing emphasis on volunteer support to technical co-operation and community-based activities, and expanded volunteer efforts in the areas of humanitarian relief and democratisation has had notable impact. We also welcome UNV's increased flexibility with regard to volunteer categories and terms of service, resulting in improved capacity of the programme to respond to the needs of its partners.

This Declaration reflects the wide-ranging dialogue during this IGM, which took into account UNV's Strategy 2000 developed to focus its volunteer activities. We firmly believe the spirit of volunteerism and solidarity, the value of service, and the virtue of teaching and sharing with those in our community or in communities elsewhere in the world, should continue to be increasingly incorporated into world-wide development as a flexible, efficient and effective response to ensure that needs for human expertise and service are met. At this important juncture for volunteerism and development in a globalising world, we take this opportunity to help guide future directions of volunteer contributions into the 21st century:

1. UNV, administered by UNDP, is privileged to be the volunteer arm of the UN system. As such, we especially encourage it to expand and strengthen its role as a global advocate for volunteers and for volunteerism as a real development choice now and for the future. UNV should capitalise on the comparative advantages it holds as a result of serving the UN system, including ready access to Governments, neutrality, and visibility as the part of the human face of the world Organisation.

2. We, the partners and supporters of UNV and global volunteerism, believe in and will work toward a substantial growth in volunteerism and a significant increase in volunteer support to development. We recommend UNV work to increase access for volunteer assistance to international development co-operation institutions, including regional organisations and private sector

foundations, to promote and build volunteer roles into their activities, to increase recognition of the expertise and motivation volunteers bring to development today, and to stimulate greater use of this vital human resource, particularly in a time of declining official development assistance, of crucial need to put existing resources to optimum use, of desire for co-ordination, and of demand for reform.

3. We recommend UNV continue to enhance its effectiveness by implementing Strategy 2000. The work of UN Volunteers will be substantially bolstered by the increased attention paid to areas such as urban development, environmental management, and preventive/curative development outlined in Strategy 2000 and undertaken in partnership with the relevant substantive entities. We encourage Governments, the UN system, and development organisations to incorporate national and international UN Volunteers into their programming in these broad areas as one means of pursuing the goals set by the Global Conferences.

4. While strengthening its traditional co-operation with Governments, we encourage UNV to continue to develop innovative partnerships with civil society and the private sector, to ground its future actions in community-based participatory approaches, to promote environmental activism, and to increase the utilisation of qualified nationals in their home countries within mixed teams of national and international UN Volunteers. At the heart of UNV's action should be the desire to assist people's empowerment through participation in decision-making to overcome poverty, to unleash the creativity of the disadvantaged themselves, and to help them bring their own resourcefulness as valued partners to the complex development process.

5. We support the emerging importance of the strategic analysis of volunteer contributions in development undertaken by UNV in wide consultation with its partners, UNV's pro-active engagement to promote volunteer roles, and the encouragement UNV has received in the form of growing financial support to strategic programme initiatives. We appeal to all parties at the global, regional and country levels to ensure that adequate financial resources are forthcoming so that the immense potential of volunteer contributions, now and into the next century, are fully realised.

6. To remain relevant and vibrant into the next century, we encourage UNV to actively become a learning organisation by studying the impact of volunteer experiences on the front lines of development and applying the lessons learned to future initiatives. We strongly encourage UNV to further raise awareness of volunteer action by documenting and disseminating best practices and sharing these with partners to assist in the scaling up of successful approaches. Because we realise that inspiration and innovation to tackle development challenges can be found everywhere, we also encourage a mutual interchange of information among all global partners, including from the South to the North.

7. The recent designation by the General Assembly of the year 2001 as the International Year of Volunteers (IYV) reflects a significant step for recognising, facilitating, networking and promoting the work of volunteers. It is appropriate that the next century begin with, and be inspired by, a global vision of volunteerism. Within the framework of IYV we encourage UNV to work with national volunteer movements to disseminate the history and achievements of

the voluntary efforts of women and men and how volunteerism in each culture and country has responded to human needs.

8. We recommend that the UNV programme participates in EXPO 2000 in order to promote the best practices of volunteerism across the globe.

9. We are convinced that it would be valuable to nations throughout the world that the contribution of volunteer effort to national and global welfare and development be highlighted in publications such as UNDP's Human Development Report, including a full report in or around the International Year of Volunteers 2001.

Above all, this Declaration represents our conviction of the vitality of people's voluntary action world-wide. We are persuaded of the validity of the goals expressed in this Declaration and shall therefore, as much as feasible and appropriate to our roles in our institutions and Governments, act to realise the immense potential volunteers represent for development and peace inspired by the powerful examples of volunteers themselves.

UNITED
NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/21
27 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 13 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

Assistance to Myanmar

Note by the Administrator

SUMMARY

The present report contains proposals for continued assistance to Myanmar, pursuant to Executive Board decision 98/4 of the first regular session 1998. In accordance with that decision, the proposals conform to Governing Council decision 93/21 and Executive Board decision 96/1. A recommendation for Executive Board action on future UNDP assistance to Myanmar may be found in chapter VI.

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INTRODUCTION

1. In its decision 96/1, the Executive Board approved continued funding of activities in sectors previously outlined in Governing Council decision 93/21, and authorized the Administrator, on a project-by-project basis, to approve projects for a total amount not exceeding $52.076 million during the period 1996-1997. The Board also requested the Administrator to submit, at its first regular sessions in 1997 and 1998, an assessment of the extent to which the assistance provided to Myanmar continued to meet the provisions of present Executive Board decisions, including Governing Council decision 93/21.

2. In accordance with these decisions, independent assessments of the projects developed within the framework of the Human Development Initiative (HDI) (1994-1996) and HDI-Extension (HDI-E) (1996-mid-1999) were undertaken in September 1996 and again from 24 August to 13 September 1997. These formed the basis for the Administrator's reports to the Executive Board at its first regular sessions in 1997 (DP/1997/4) and in 1998 (DP/1998/11). The assessments found that the projects comprising HDI and HDI-E were in conformity with the relevant Governing Council and Executive Board decisions, continued to meet their objectives, and offered key strategic lessons and experiences for the future. Taking into account the Administrator's report to the Executive Board at its first regular session 1998 (DP/1998/11), in its decision 98/4, the Executive Board decided to consider, at its annual session 1998, a proposal for future UNDP assistance to Myanmar, in conformity with Governing Council decision 93/21 and Executive Board decision 96/1.

I. PROGRESS UNDER HDI-E

3. The many assessments and evaluations carried out at HDI-wide and sectoral levels testify to the progress and achievements of HDI and HDI-E. Based on the foundation laid by HDI and HDI-E over the past four years, a wide range of activities have been implemented in 23 townships, 11 of which are in the Dry Zone, Shan State and the Delta region, and 12 of which are in Chin, Kachin and Rakhine States. Many of these townships are located in extremely remote areas and must confront a wide range of economic, social and environmental challenges arising from acute deprivation. The main achievements that can be attributed to HDI and HDI-E are summarized below.

4. An important contribution has been made in providing for the basic human and humanitarian needs of nearly 1.5 million targeted beneficiaries living in the 23 townships. Increasing refinement of implementation processes and structures have enabled the projects that constitute HDI-E to reach the poorest, most disadvantaged and vulnerable groups. Opportunities to generate income and develop self-reliant ways to ensure basic needs, especially in the area of food security, have been stimulated. By enabling people to obtain access to such basic services as water supply and sanitation, primary health care and education, complemented by opportunities for income generation and environmental improvements, an integrated approach to meeting basic human development needs in a relatively sustainable manner has been developed.

5. Another important aspect of HDI and HDI-E and has been the multiple economic and social impulses generated, resulting in the building of community-based organizations at the village level. In the villages and village tracts where there are HDI-E projects, a functioning and even vibrant network of community-based organizations has been established, addressing a wide and complex range of tasks critical to the daily needs and demands of poor people. Local health, education (parent-teacher associations), and water supply and sanitation committees; farmers' and women's income-generating groups; and specialized groups such as for livestock and informal partnerships to receive micro-credit are common in most HDI-E villages, enriching their economic and social experience and encouraging and facilitating participatory patterns of development - important aspects of grass-roots governance and the development of economic opportunities. The establishment of partnerships between HDI/HDI-E projects, civil society organizations and international and national non-governmental organizations (NGOs) has made an important contribution to the building of village-level organizations.

6. Most projects have introduced key elements of technical and attitudinal changes in critical sectors. Improving living standards in villages and helping the poor to meet their basic needs require changing attitudes towards and making adjustments to traditional patterns of production and the provision of goods and services. Through its training arrangements, provision of credit, and other mechanisms for the transfer of appropriate technology, HDI-E has been able to bring about technical changes in agricultural and environmental practices and improvements in the organization of village-level health and education services. Technical and attitudinal changes (e.g., introducing new and better seeds, using compost effectively, agro-forestry practices, using wood stoves, pooling and sharing of scarce water resources) have been introduced largely through the adaptation and improvement of local practices. HDI projects constitute instruments for transfer of best practices within the region and the country. There is an increasing awareness that holistic, non-sectoral approaches are the optimal means to the solution of many seemingly intractable problems.

7. A striking feature of the HDI and HDI-E processes has been their success in mainstreaming gender issues. Women have been extensively involved and have participated actively in HDI and HDI-E processes, primarily through the widespread community-based organizations with well-articulated goals in HDI villages. Women are well represented in the executive committees of those organizations, especially in areas such as income generation, the provision of health and education services and organizing water supply and sanitation services. Training opportunities have also benefited a large number of women, enabling them to enhance their capacities for household management and engagement in productive economic activities.

8. The administrative and managerial structures that have evolved gradually over the four years of HDI and HDI-E can now be viewed as important transmission mechanisms for grass-roots development. There is a functioning system for the delivery and utilization of critical services to a significant number of villages in Myanmar, which constitutes a demonstration model for replication elsewhere. Local project staff are increasing their knowledge of integrated approaches to the solution of village-level problems and are inclined to address critical issues through holistic instead of sectoral approaches. An important

process of improving grass-roots management and administration is under way through HDI-E; more remains to be done in adjusting and refining these systems.

II. FUTURE NEEDS ASSESSMENTS

9. Reviews and assessments undertaken of HDI and HDI-E have offered a range of insights into the critical needs of the people of Myanmar, particularly the people living in the targeted townships. In addition, extensive sectoral reviews and evaluations (e.g., on education, health, food security, water supply and sanitation, HIV/AIDS) have focused equally on past experience and future needs. The enriching experience of implementing grass-roots activities has generated a wealth of diverse information and insights on the micro needs of the poor in specific townships and villages. Generic strategies for the provision of basic needs can be replaced increasingly by more locale-specific approaches to the solutions of entrenched problems. Consultations with community bodies at the village level, which are now taking place on a continuing basis, interactions with the extensive cadre of national project personnel of HDI-E (community development workers, human development officers, township sectoral specialists, etc.) operating at township and village levels, and consultations with international NGOs and civil society and community-based organizations constitute an ongoing process of assessment of changing and future needs. Continuing consultations with United Nations agencies operating in Myanmar, some of which participate in the execution of HDI projects, also contribute to the process. There is now an organized system and methodology by which to obtain a continuing flow of information and insights into future needs, which allows for appropriate geographical disaggregation of the types of project interventions that are necessary. An ongoing process of data and information generation in the 23 HDI-E townships is an important channel for the assessment of future needs.

III. HUMAN DEVELOPMENT INITIATIVE: CONTINUING ACTIVITIES

A. Recommendations for future assistance: key considerations

10. Several key factors have determined the nature and content of the proposals to continue activities under HDI that are being submitted to the Executive Board for its consideration at the current session.

11. In accordance with Executive Board decision 98/4, all proposed projects are in conformity with Governing Council decision 93/21 and Executive Board decision 96/1. As such, these projects would continue to address humanitarian and basic human needs of the poor through a set of interrelated activities covering such critical issues as primary health care, the environment, HIV/AIDS, training and education, and food security.

12. Continued attention to the needs of the poor and specifically to building sustainable systems to meet basic needs in the areas of food security, health, water supply and sanitation, education and the environment explicitly calls for continuity in HDI projects, which, in view of resource limitations, have thus far been able to concentrate only on selected and limited activities, even in

the 23 focus townships. Based on experience, it is now feasible to intensify and expand HDI engagement in these townships. This approach offers the best option for the productive use of scarce resources, and inevitably calls for the continuation of the project activities that now constitute HDI-E into the next phase.

13. It is proposed that the spatial expansion of project activities be undertaken in two directions. Currently, approximately one fourth of the total number of villages in the 23 townships where HDI-E operates participate in and benefit from HDI-E projects. Within the 23 townships, additional villages and village tracts inhabited by poor and disadvantaged people would be included in the next phase. Several new townships in remote border areas would also be identified for future HDI activities, contingent upon the availability of resources. Criteria for the identification of the additional townships would include pervasive poverty and environmental vulnerability and the existence of particularly disadvantaged groups.

14. Administrative and managerial continuity is essential to consolidate and advance the gains made thus far through HDI and HDI-E over the last four years, while also ensuring the sustainability of the results and outcomes of HDI projects. Any major disruption of the flexible administrative and managerial structure that has evolved for HDI and HDI-E would create a degree of uncertainty that should be avoided, in order to maintain the efficiency and effectiveness of projects and project activities, subject to necessary adjustments to conform to changing circumstances.

B. Project extension proposals

15. The proposals that follow are for the extension of current HDI-E projects rather than for a set of successor activities. Building local capacities and empowering the poor require a sustained effort over a longer period of time than the period that has so far elapsed under HDI and HDI-E. The accumulation of experience has facilitated close connections between projects as well as the development of mechanisms and structures for collaboration and integration, especially at the village level, largely through intermediation of community-based organizations. The consolidation of these emerging relationships and the more intensive involvement of community-based organizations, which contribute to integrated and holistic approaches, also call for operational continuity.

16. During their extended phase, all current projects would continue to address several common themes and issues critical to enhancing impact at the grass-roots level and improving the living conditions of poor and disadvantaged people. Methodologies would be continuously refined to reach out to the most disadvantaged people, who would be the primary beneficiaries of HDI-E activities. Special emphasis would be placed on further mainstreaming of gender issues in all projects, building on the extensive involvement of women that is a prominent feature of HDI-E activities. Participatory approaches to development would be further stimulated through collaboration with community-based organizations, which have played an important role in HDI-E. This would involve local people assessing their own basic and humanitarian needs and defining appropriate interventions. The emphasis on convergence and coordination of

HDI-E project activities would be primarily at the village and village tract levels, where such processes are already taking place.

Human development and humanitarian needs

17. As called for in Governing Council decision 93/21, the cluster of primary health care, water supply and sanitation, HIV/AIDS and education projects would continue to aim at addressing the provision of key humanitarian and basic human development needs of poor people in Myanmar. Empowering the poor and building capacities at the community and grass-roots levels are directly associated with the opportunities that are created through the supply of material and equipment through these projects. Training would be provided to facilitate the transfer of knowledge and build capacities to ensure the sustainability of all projects.

18. The primary health care project has now matured into an umbrella-type activity, incorporating the strengthening of capacities at the community level as well as the provision of medical supplies and equipment to grass-roots institutions. The primary aim is to develop sustainable health-care systems within the project township areas. Emphasis has been placed on developing methodologies and approaches for the qualitative strengthening of health-care systems in the townships, with the extensive involvement of women and community-based organizations. While developing and consolidating these approaches, more attention would be given to promotive, preventive and rehabilitative measures, particularly in the area of reproductive health and other health concerns affecting mothers and children. Social marketing of iodized salt, bednets, contraceptives and oral rehydration salts would be promoted. Continuing attention to priority health problems such as malaria, tuberculosis and leprosy would be required, although the nature of interventions might change on the basis of experience gained and developing technologies. Cooperation with the United Nations Children's Fund (UNICEF) in the area of iodine deficiency disorders, which has a significant impact on the welfare of women and children, would continue. Project activities would also be carried out in close collaboration with other agencies, such as the United Nations Population Fund, the World Health Organization (WHO), the United Nations Centre for Human Settlements and the Joint United Nations Programme on HIV/AIDS, as well as other donors and NGOs active in these areas.

19. The water supply and sanitation project has enabled a large number of villages to obtain access to water supplies and has introduced effective techniques for water collection, distribution and management. These activities would be continued in new villages and capacities for village-level management systems would be enhanced. The project would also aim at improving sanitation, through the supply of latrines, and greater attention would be paid to issues such as garbage disposal and the improvement of hygienic conditions in homes, enterprises and villages. Support to community initiatives would be extended through the project's Community Initiatives Support Facility, which promotes the development of partnerships with villagers for undertaking minor improvements to the village infrastructure that are essential to the efficient delivery of humanitarian services to meet basic needs as well as disaster prevention and mitigation activities. To ensure sustainability, efforts would be directed towards stimulating the establishment of small-scale enterprises for the manufacture of components of water supply systems, rainwater harvesting

equipment and sanitation technology. Opportunities for training in the maintenance of these systems would also be offered. There would be greater involvement of NGOs in all project activities.

20. The HIV/AIDS project would continue to operate at the national level, while complementing community-based prevention activities, which would remain a major area of focus. It would aim at assisting the development of national policies for HIV/AIDS, and would be the main implementing arm of the United Nations system-wide HIV/AIDS thematic working group established in Myanmar. Project activities would include policy development, advocacy, training courses, and activities to raise awareness about methods of transmission of the disease to promote behavioural changes among groups at risk. The project would continue to focus on the most vulnerable geographic areas, such as border towns and towns with large migrant populations.

21. The primary education project would continue to focus on promoting access to education facilities; improving the quality of education, including the development of relevant curriculum materials; enabling parent-teacher associations to mobilize resources; and enhancing and improving management skills. Current activities such as the renovation of school buildings, the supply of textbooks and pencils, the training of primary school teachers and work with parent-teachers associations would also continue. Support would be provided for community-level continuing education and skills-training programmes, including adult literacy classes, as well as stimulating capacities for information-sharing. More attention would be paid to non-formal education, in order to complement the current emphasis on the formal education system. It has been observed that, as a result of HDI and HDI-E activities, school attendance has increased; this encouraging trend would be stimulated by establishing linkages with other HDI-E activities, such as those in the area of health and income generation.

Environment and food security

22. Three area-based projects that address food security and environmental, watershed and natural resource management issues through integrated approaches are being implemented in the Dry Zone, southern Shan State and the Ayeyarwaddy Delta. These projects also have an important income-generating component, through the supply of in-kind credit to agriculture-based economic activities targeted at poor farmers operating within vicious cycles of poverty and deprivation. Income-generating activities are being implemented through an intensive participatory process organized through Farmers Income-Generating Groups and Women's Income Generating Groups. An integrated and comprehensive strategy has evolved gradually to address a varied set of complex circumstances in agriculture, livestock and forestry, arising from the fragility of natural resource bases. The focus of all of the area-based projects would be on the adoption of measures to halt environmental degradation and conserve natural resources and ecosystems, since the deterioration of the environment is an important cause of poverty. To ensure sustainability and to obtain optimal impact, it is necessary that the implementation of current activities continue and be expanded to include new village and watershed areas.

23. The project in the Dry Zone currently addresses poverty issues in a concerted manner, by improving natural resource management practices in the numerous watershed and sub-watersheds that dominate the arid landscape. Low-cost devices for water management and soil conservation measures, together with a package of incentives that encourages labour mobilization, partly on a voluntary basis and partly as employment opportunities for landless labourers, are being implemented. Income generation opportunities for small-scale farmers and the landless have been encouraged by introducing livestock and upgrading existing farming systems. These measures are being complemented by small-scale community forestry operations and the introduction of technologies such as fuel-saving wood stoves. In the future, these activities would continue, and new initiatives would be developed to ensure food security, income generation and environmental sustainability. In-kind credit would also be provided, in close collaboration with the micro-credit project.

24. The project in Shan State has been concerned primarily with improving management practices in upland areas and critical watersheds. Inle Lake, well-known for its beautiful landscape, is emerging as a tourist attraction and has been singled out for special attention. A varied set of community forestry activities has been undertaken, especially in the context of the transfer of tenure rights of forest use to community organizations. Income-generating opportunities, both agriculture-based and revolving around small cottage enterprises, have also been stimulated. These activities would continue to be built upon and extended to include the promotion of off-farm employment, low-cost methodologies for resource management and productivity growth and the improvement of farm and energy systems.

25. The project in the Ayeyarwaddy Delta aims at developing appropriate income-earning opportunities for the poor and rehabilitating and protecting the extensive mangrove swamps and habitations that are a common feature of the region, and which constitute endangered ecosystems and have a vital bearing on preserving its biodiversity. A range of activities in agriculture, forestry, fisheries, livestock and cottage industries has been undertaken through integrated methodologies, offering sustainable income-generating opportunities and ensuring environmental conservation and food security. Through the dissemination of technology and model management practices, the project aims at reaching a large number of poor farmers and reversing a worsening environmental crisis in the region. These activities would continue, with renewed emphasis on food security and the further development of income-generating activities. Income generation arrangements would be closely linked to micro-credit project operations.

Intersectoral projects

26. Three projects of an intersectoral nature - community development in remote townships (CDRT), a micro-credit project, and support to HDI-E (HDIS) - were initiated under HDI-E. These projects have been under implementation only for a relatively short period of time, although the CDRT project was preceded, during the first HDI phase, by two "quick impact" projects. Similarly, the HDIS project, which is now of a more substantive nature, was also preceded by a project that focused only on logistics and administrative support during the earlier phase of HDI. The CDRT and micro-credit projects would be continued,

with appropriate adjustments, since they are concerned with issues critical to the alleviation of poverty. The activities of the third project, HDIS, would also be continued, although current execution and management arrangements may require revision and considerable adjustment.

27. In the CDRT project, an integrated approach is applied to address the complex range of socio-economic problems that confront the people in selected areas of 12 townships in Kachin, Chin and Rakhine States. It is worth noting that it is through this project that activities have been initiated in northern Rakhine State (see chapter IV below). The project includes interventions in agriculture and environment, water supply and sanitation, disaster prevention and preparedness, health and education, and food security and credit facilities, as well as opportunities for various forms of income generation. It is a composite approach to the provision of basic needs in remote and distant areas of Myanmar, where poverty is deeply entrenched. An intensive effort would be made to build capacities at the grass-roots level through participatory approaches. There is currently a significant component of the provision of supplies to vulnerable and high-risk groups in these acutely deprived areas. A few townships, selected based on criteria described in paragraph 13 above, would likely be added to this project in the extended phase, subject to the availability of resources.

28. The micro-credit project aims at reaching out to about 30,000 households in its first phase, through the provision of small-scale credit. The project is being implemented by three international NGOs - the Grameen Trust, Bangladesh; Groupe de recherche et d'echanges technologiques, France; and Private Agencies Collaborating Together, the United States of America - which have been entrusted with the responsibility of credit and training operations in the Ayeyarwaddy Delta, Shan State, and the Dry Zone, respectively. Ensuring sustainable credit operations requires continuity, and the project, which has only been implemented for a brief period of time, would be expanded to include new beneficiaries, and also to build a comprehensive development package, including training in aspects of marketing and business development, and advisory services. There is a large demand for small-scale credit and the project could play an important role in contributing to poverty alleviation at the grass-roots level.

29. Finally, HDIS provides critical support to ensure the efficient functioning and smooth orchestration of the HDI-E project system. Training activities common to HDI and HDI-E projects; operational research on key HDI-E issues (particularly useful for future programme formulation processes); information education and communication; monitoring and evaluation; and the organization and administration of the HDI-E management structure at the local and field levels fall under the HDIS project. These activities would be continued. However, it is not clear whether all of the activities should be pursued through a single, umbrella-type project. Many of the project's functions are also complementary to, and interface with, the responsibilities of the UNDP office in Yangon. Thus, it would be necessary to reconceptualize the approach to HDIS activities and reconsider the design of the project, on the basis of an assessment of the current phase of its activities.

IV. NEW INITIATIVE IN NORTHERN RAKHINE STATE

30. In parallel with a gradual phasing out by the Office of the United Nations High Commission for Refugees (UNHCR) in 1999, UNDP is expected to take a lead role in a United Nations system-wide programme for residents of northern Rakhine State. These include approximately 230,000 residents of Myanmar who fled to Bangladesh in 1991-1992 and who have been voluntarily repatriated under the auspices of UNHCR, reducing the camp population in Bangladesh to approximately 20,000. UNHCR has been carrying out this programme of assistance in collaboration with the World Food Programme (WFP) and NGO partners.

31. In 1997, under HDI-E, UNDP initiated the community development for remote townships (CDRT) project in the northern Rakhine State townships of Buthidaung and Maungdaw, with activities in primary health care, HIV/AIDS, education and training, food security and the environment. UNICEF, WHO and the Food and Agriculture Organization of the United Nations (FAO) have also been carrying out activities in this area.

32. Given the extreme poverty and vulnerability of people in this remote region of the country and the virtual completion of the repatriation exercise, United Nations development agencies in Myanmar are now planning to deepen their involvement and expand their collaboration in the area. The broad objective is to reintegrate the returnees and improve the social, economic and environmental conditions of the population residing in the three townships of northern Rakhine State (Buthidaung, Maungdaw and Rathedaung), through a comprehensive and integrated programme aimed at improving the overall socio-economic situation to be undertaken by UNDP and other United Nations development agencies. UNHCR has been requested to continue its protection and monitoring role in the area.

33. An in-country United Nations thematic working group has already prepared a set of background documents, including a situation analysis, strategy papers on social and economic development issues, and detailed terms of reference for a programming exercise. The precise role of UNDP and other United Nations partners will be defined during this exercise. It is expected that the United Nations system-wide programme will focus on strengthening communities' capacities to improve their living conditions. Within this community development framework, special attention will be placed on fostering income-generating activities, enhancing food security, upgrading basic rural infrastructure, and improving primary education and basic health services.

34. In terms of funding, non-core resources will need to be mobilized from the international community to supplement the seed money that will be provided by the participating agencies. The UNDP contribution will come from the overall resources available to HDI and from target for resource assignment from the core (TRAC) line 1.1.3. Non-core funds will also be sought and administered under an appropriate mechanism.

V. ALLOCATION OF RESOURCES

35. The next phase of HDI-E is expected to last two and one half years, from mid-1999 until end-2001. The total amount of UNDP resources required for this

period is estimated at $50 million. For the current resource planning period (1997-2000), $36.9 million is available from TRAC lines 1.1.1 and 1.1.2; the additional $13.1 million will be sought from TRAC resources for the next resource planning period, as and when they become available.

VI. EXECUTIVE BOARD ACTION

36. The Executive Board may wish to:

1. Note that continued funding of project activities in the sectors previously outlined in Governing Council decision 93/21, and confirmed by Executive Board decision 96/1, is estimated at $50 million for the period mid-1999 to end-2001;

2. Authorize the Administrator, on a project-by-project basis, to approve HDI-E project extensions up to $36.9 million from target for resource assignment from the core (TRAC) resources for the current resource planning period, and up to $13.1 million from the TRAC resources for the next resource planning period, as they become available;

3. Authorize the Administrator to mobilize, in consultation with the other United Nations funds and programmes concerned, non-core resources for a United Nations system-wide programme of assistance to northern Rakhine State, through appropriate mechanisms and modalities.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/22
27 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 13 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

Implementation of the human rights component of the first country cooperation framework for Belarus

Note by the Administrator

1. The Executive Board approved the first country cooperation framework (CCF) for Belarus (DP/CCF/BLR/1) at its annual session 1997. At the same time, the Board also requested that an information note be submitted at the annual session 1998 on the implementation of the human rights component of the framework.

2. Belarus is currently at a critical juncture in its transition from a centralized form of government to a decentralized, democratic society. Owing to historical, economic and other factors, there is little understanding of the new role that civil society and the mass media are expected to play in this endeavour. UNDP, jointly with the Government, non-governmental organizations (NGOs), relevant United Nations agencies and donors, has formulated several projects to support the country's efforts to promote democracy through strengthening civil society institutions and enhancing popular participation.

3. It is expected that by the end of the period of the first CCF (1999), the role of civil society in Belarus will be more clearly identified, including through greater awareness about human rights and the role of free media, access to modern means of communication, the improvement of psychological and social attitudes towards people affected by HIV/AIDS, and greater awareness about women's roles in the overall development of the society.

4. The human rights component of the framework was included in the CCF under the thematic area of governance. In this context, the Government requested that UNDP, with the United Nations Centre for Human Rights (UNCHR), assist in the

establishment of a human rights institution, thereby creating sufficient capacity to apply international human rights standards in the country, thro Parliament, government agencies and civil society. National activities wou linked to the regional programme on democracy, governance and participation

5. In May 1997, a preparatory assistance document was signed by UNDP to c out activities in the field related to human rights, pending the signing by Government and UNDP of a project document for strengthening capacities and infrastructures for the promotion and protection of human rights. Within t framework of preparatory assistance, the following activities took place: (a) participation of three representatives of the Government in the Third U International Workshop on Ombudsman and Human Rights Institutions, held in Latvia, in June 1997; and (b) support to the mission of the UNCHR Special Rapporteur on the Promotion and Protection of the Right to Freedom of Opini and Expression, and facilitation of its contacts with Belarusian representa of the Parliament, the Government, mass media and NGOs (May-June 1997).

6. In July 1997, an informal meeting was held at the UNDP country office Belarus with representatives from the Ministry of Foreign Affairs. At the meeting, an understanding was reached that it might not be expedient to pro immediately with a project aimed at the establishment of a human rights institution. Instead, it was suggested that a revised project should be prepared, focusing on raising public awareness about human rights issues.

7. Towards the end of July 1997, a meeting was held in the UNDP country o with the Head of the Belarusian Helsinki Committee. Following the meeting, was agreed to reformulate the proposed draft human rights project, with the assistance of an NGO active in the area of human rights in Belarus. During October and November 1997, a new project was formulated, combining the prop from both the Ministry of Foreign Affairs and the Belarusian Helsinki Commi

8. In December 1997, the revised project proposal was submitted to the Un Nations Centre for Human Rights in Geneva, Switzerland, for review and comme A decision regarding project funding by the United Nations Centre for Human Rights, which had committed $90,000 to the original project, is pending. In meantime, the Government of Belarus has on several occasions reiterated its interest in the reformulated project.

9. Aside from the projects and activities discussed above, a number of oth endeavours are under way in the areas of human rights and good governance, a in support of the development of the role and capacities of civil society in Belarus. Specific fields of involvement include promotion of the use of the Internet, support for the independent media, and the establishment of a university centre devoted to the promotion of human rights.

10. A project to strengthen the national information and communication infrastructure in Belarus through the Internet is aimed at connecting 200 NG in order to promote an open society and participatory development. The proj document was signed by UNDP and the Government in June 1997, with a substant amount of cost-sharing resources from the Soros Foundation's Open Society Institute. Currently, more than 150 organizations have been connected to th

Internet under the project, either on a dial up or a lease line basis. Training and assistance in creating websites are also provided through the project.

11. A project document for support for the mass media was signed by UNDP and the Government in February 1998. The project will provide training in the role of free media in a democratic society through a Swedish NGO. That organization is also the main donor to the project, which is being implemented in close collaboration with the independent Belarusian Association of Journalists.

12. A Centre for United Nations studies, devoted primarily to the promotion of human rights issues, is being established within the Belarusian State University. The project document was signed by the Government in February 1998. The project also receives major financial support from the Office of the United Nations High Commissioner for Refugees. The Centre will host seminars and workshops on various human rights-related topics, such as human rights and refugees, human rights and AIDS. The main beneficiaries will be education institutions and NGOs.

13. In January 1998, UNDP and the Government signed a project document for the first fully NGO-executed project in Belarus. With most of the funding provided by the World AIDs Foundation in Paris, the project aims at increasing the level of HIV/AIDS awareness and responsible sexual behaviour among the population.

14. A project aimed at promoting gender equality was successfully completed in December 1997. The main achievements of the project, involving many women's NGOs, include the establishment of a Gender Information and Policy Centre, newsletters and publications on the status of women in Belarus, and numerous practical workshops on such issues as women's rights in a post-totalitarian society and women's self-employment on former military bases.

UNITED
NATIONS

DP

Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund

Distr.
GENERAL

DP/1998/23
27 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 14 of the provisional agenda
UNDP

UNDP COMMUNICATION, ADVOCACY AND INFORMATION POLICY

Report of the Administrator

Summary

The present report outlines advances made in the implementation of the corporate communication and advocacy strategy endorsed by UNDP senior management in July 1995 and Executive Board decisions 96/22 and 97/17. The report emphasizes UNDP outreach targeted to constituencies, especially media, parliamentarians and non-governmental organizations. It also notes the important information role of the liaison and country offices.

UNDP has taken steps in the past year to promote its core message among media and key development partners. The main thrust of that message is that poverty eradication is achievable through the advancement of women, promotion of sustainable livelihoods, protection of the environment and support for good governance.

The challenges for 1998 include: developing clearer and more strategic messages on UNDP development work with the aim of strengthening political and financial support from key audiences; launching strategically targeted advertising campaigns in contributor and programme countries, identifying best practices and success stories where UNDP is bringing value added; implementing the revised UNDP publications policy; implementing the public information disclosure policy; ensuring a broader range of information materials are available in United Nations official languages and on the Internet; and intensifying training of staff in public affairs to make UNDP a more extroverted organization.

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CONTENTS

		Paragraphs	Page
I.	PURPOSE	1	3
II.	HIGHLIGHTS OF 1997	2 - 38	3
III.	NEXT STEPS	39 - 42	9
IV.	CHALLENGES FOR 1998	43 - 45	10
V.	EXECUTIVE BOARD ACTION	46	11

I. PURPOSE

1. The present report responds to Executive Board decision 97/17. It describes the progress achieved in developing and implementing the UNDP communications and advocacy policy.

II. HIGHLIGHTS of 1997

2. UNDP is an organization that has been traditionally action-oriented, but has not aggressively promoted its image. UNDP is striving to build a culture of communication on the foundation of reform. This goal has been inspired by UNDP leadership and by the actions and directives of the Secretary-General. Progress has been made in issuing clearer messages and in telling the complex story of sustainable human development in clear and concise language. At the heart of the information and communication strategy is the need to make linkages between public affairs and resources mobilization.

3. Recognizing that the programme offices are the backbone of the communications and advocacy strategy, the organization is providing training in public affairs to resident representatives, deputy resident representatives, public affairs officers and others. The Division of Public Affairs (DPA) is also working closely with the Division of Information Management and Analysis, which manages the UNDP website, with the aim of greatly expanding its outreach through the posting of its news bulletins UNDP Flash! and the El Nino - as well as media advisories, press releases and statements by the Administrator in English, French and Spanish. In keeping with the recommendations of the Publications Policy task force, greater attention will be paid to the posting on the website of materials in other official languages of the United Nations. The Internet has enhanced global tracking of the media's use of UNDP public information products, statements and digitized photographs and their coverage of UNDP-sponsored events, and stories filed during UNDP-hosted press tours.

4. To ensure the use of the communication strategy throughout UNDP, the organization is recommending that communication and advocacy become a component of all projects and programmes. To continue expanding the visibility of UNDP, regular contacts are now made with the representatives of permanent missions to the United Nations in New York, especially with Executive Board members. In programme countries, resident representatives are continuing to engage donors in dialogue. These initiatives are backed by regular visits by the Administrator and senior managers to donor and developing country capitals, where they meet with top government officials, parliamentarians, and representatives of non-governmental organizations (NGOs) and the private sector. Seminars with parliamentarians and academic institutions have produced effective results, as have visits to UNDP-supported field projects. At the field level, programme countries are devoting staff time to information and advocacy work and making a commitment to raise the UNDP profile in each country.

A. Information in the reformed United Nations system

5. UNDP collaborates closely with the Department of Communications and Public Information of the United Nations Secretariat and with United Nations specialized agencies. Resident coordinators ensure that the United Nations Information Centres (UNICs) promote system-wide initiatives in programme countries. UNDP matters now appear frequently on the agenda of the daily news briefing at United Nations Headquarters.

B. Print media

6. UNDP is increasing its visibility at a low cost by utilizing high-profile events. In 1997, the Rio Plus 5 and Habitat II meetings, the Micro-Credit Summit, and international gatherings on governance and climate change provided additional opportunities for information and advocacy. In the coming year, UNDP will highlight governance programmes to mark the fiftieth anniversary of the Universal Declaration of Human Rights.

7. In taking up the challenge of paragraph 6 of Executive Board decision 97/17, media products in several languages were distributed during the year. These included UNDP Flash!, El Nino Update, information kits and press packages. At headquarters, messages were distributed in hard copy and electronically in Arabic, Chinese, English, French, Russian, and Spanish as well as in German, Italian, Japanese, Portuguese and many other languages. Country offices and liaison offices published material in local languages. New software is being used to reorganize the media mailing list to increase the number of people receiving UNDP products and to target them individually with greater accuracy and frequency.

8. To ensure more targeted, accurate, clear and frank public information, DPA organized a media workshop for 30 international journalists from around the world to highlight poverty-related issues. On return to their home countries, journalists wrote articles based on the workshop and associated project visits and created a network to support global anti-poverty efforts. There were UNDP media travelling seminars for more than 100 international reporters from leading newspapers covering four continents during 1997. Countries covered were Angola, Guatemala, Guinea, the Russian Federation, Senegal and Viet Nam. As a result, more than 100 articles appeared in the leading publications of Africa, Asia, Europe, Latin America and North America. The awareness of UNDP initiatives in fighting poverty that was enhanced through these articles has lead to a network of reporters who now rely on UNDP for information and experts they can talk to. In some cases, the articles helped to elicit further resources for UNDP work.

9. The workshop and travelling seminars have built a receptive cadre of senior journalists. Not only are these correspondents knowledgeable about UNDP policies and programmes, they are also likely to cover the organization's activities and to seek information and guidance in their regular reporting. Following their experience with UNDP, many participants are themselves in demand as speakers at meetings or in the media as development experts in their own right.

10. In 1998, UNDP will organize further training workshops for journalists and trips to programme countries.

11. UNDP is tracking global media coverage of its programmes. It now subscribes to the Burrell's news-clipping and monitoring service, and the Lexis-Nexis information service. A recent Lexis-Nexis search found more than 2,400 references to UNDP public information products in national and international newspapers, on wire services and on television broadcasts during 1997.

C. Audio-visual and broadcasting opportunities

12. UNDP has increased coverage of the organization's focus areas - poverty, women, jobs, environment and governance - through the distribution of public service announcements, the placing of UNDP experts on radio and TV news shows, and the production of Azimuths, a TV magazine show. UNDP has established a system to facilitate the presence of UNDP experts on radio and television broadcasts around the world. Speakers selected from UNDP staff in the field and at headquarters are available to address topics of relevance to UNDP in a wide variety of languages. UNDP is also stepping up its actions to show the organization's perspective and to highlight its work by participating in other organization's special events, alerting media to the UNDP angle in breaking news stories, helping journalists to produce feature stories, and flagging development concerns for various United Nations days.

13. UNDP produced four public service announcements as well as a number of video press releases that were widely broadcast around the world. Produced in English, French and Spanish, they were edited and dubbed into several national languages of UNDP partners. UNDP programme offices promoted the airing of these video messages on their local stations.

D. Publications

14. The proliferation of publications of uneven quality throughout the organization has long been recognized as a problem in UNDP. In 1997, a task force of the Publications Board was established to review the current situation regarding publications. To date, the task force designed a comprehensive publications policy that mandates a strengthened Publications Board, responsible for improving the overall quality and consistency of UNDP publications, monitoring their planning, marketing, distribution and cost. Implementing the revised UNDP publications policy will be one of the challenges of UNDP in 1998.

15. The weekly newsletter UNDP FLASH!, published in Arabic, English, French, Russian and Spanish and distributed in hard copy, on-line and by fax, has generated increased inquiries from the media. Most of the stories emanate from the programme offices. The news stories are frequently picked up by the Secretary-General's spokesman for presentation at the daily news briefings.

16. In June 1996, the flagship publication, CHOICES, the human development magazine, was relaunched. The publication has already won numerous design

awards. While measuring impact is difficult, a readership survey was included in the October 1997 issue to solicit solid feedback on its quality and usefulness. The results are currently being analysed. Another indication of impact is the fact that some 2,000 unsolicited messages are received each year, requesting placement on the UNDP publications list. The requests come from non-governmental organizations (NGOs), academicians, the media and government officials.

17. To respond to the need for clearer and more strategic messages, UNDP introduced a new style for the illustrated annual report, focusing on key themes and specific success stories within those themes. The publication is one of the new outreach tools that presents the organization in a way that general audiences can readily understand.

18. A special effort has been made to produce major UNDP publications in at least three official languages, typically English, French and Spanish. The Human Development Report, an important advocacy tool for the organization, appears in ten languages: Arabic, English, French, German, Italian, Japanese, Korean, Portuguese, Russian and Spanish. The number of languages in which reports are published at headquarters will be increased if additional funding becomes available.

19. At the country level, UNDP offices are issuing newsletters and brochures that succinctly describe the activities of UNDP in individual countries. The goal is to help raise the UNDP profile among donors and local constituencies. Publications are increasingly linked to fund-raising efforts; e.g. a recent publication targeted to parliamentarians.

20. As part of the push to create better visibility and awareness for UNDP and to apply this strategy throughout the organization, liaison and country offices are setting up home pages. The broad scope and wide coverage of decentralized electronic communication provides a means of reaching highly focused readership groups in an increasing number of languages.

E. Non-governmental organization liaison and constituency relations

21. Constituency-building not only promotes UNDP programmes and policies but also reinforces resource mobilization. Taking advantage of events and opportunities organized by or in collaboration with partners, both at headquarters and in the field, UNDP carries out advocacy with strategic allies, including NGOs, academics, trade unions, religious groups, intergovernmental organizations, civic leaders, church groups and grass-roots organizations.

22. Two important opportunities for constituency-building and communication in 1997 were the launch of the Human Development Report 1997 and the worldwide commemoration of the International Day for the Eradication of Poverty, held on 17 October. In 1998, the theme for the International Day will be the commemoration of the fiftieth anniversary of the Universal Declaration of Human Rights; UNDP will focus on the right to development.

Non-governmental organizations

23. DPA established regular contacts with NGOs through monthly briefings under the aegis of the United Nations Department of Communications and Public Information's weekly NGO briefing programme and through provision of resource persons, keynote speakers and information materials for major NGO conferences, expositions and seminars in the North and South. Collaboration between UNDP and NGOs also took place in organizing joint activities.

24. UNDP issued an information disclosure policy in 1997, under which all relevant documents pertaining to the UNDP programming cycle are made available to the public upon request. The policy is part of increased attention by UNDP to accountability. In the same spirit, an NGO/civil society organization (CSO) advisory committee for UNDP is scheduled to be created in 1998 as is an NGO/civil society organization committee.

25. UNDP has created a worldwide advisory board of mayors to help to strengthen relations with city halls, which are on the frontline in the struggle against poverty. One aim is to inform and mobilize mayors worldwide, encouraging them to organize, initiate and support poverty-eradication activities.

Parliamentarians

26. Through the generous support of the Government of Belgium, UNDP has been able to create a network of alliances among members of parliaments. Through this assistance, UNDP and its partners have organized more than 40 major international conferences in the past three years. More than 4,600 participants were parliamentarians, while others were drawn from NGOs, city governments, academic institutions and civil society. Governance, poverty eradication, and gender were the major themes addressed. These activities place UNDP priorities on the agenda of parliamentarians, helping to build support among legislators and policy-makers through direct dialogue. Workshops on women in decision-making held in Finland, India, Namibia, South Africa, Uganda and the United States led to the creation of networks of women parliamentarians in several regions. During 1998, some 16 more meetings of parliamentarians are planned.

F. The Information Network

1. Country offices

27. Country offices are an essential component of the information network that UNDP has crafted within the framework of the corporate communication and advocacy strategy. As a result of Direct Line No. 7, issued by the Administrator on 17 January 1996, resident representatives have integrated public affairs into the mainstream of their work. The Direct Line provided $2.6 million of seed money in 1996-1997 needed for country offices to develop public-affairs programmes. A replenishment is anticipated in 1998. Public affairs officers, full or part-time, have been appointed in nearly every country office. In 1997, courses were organized for public affairs officers from country offices in Africa, Asia and Latin America. Staff members are encouraged to write articles and give speeches on behalf of UNDP.

28. Programmes increasingly incorporate advocacy and communication from the start, with a budget line assigned to information in each project. In 1995, DPA published a comprehensive public affairs manual to assist all staff, especially those in country offices.

29. As part of the drive to apply the communication strategy throughout UNDP, country offices in every region hosted national launches of the Human Development Report 1997, resulting in a record number of media stories. By 1997, a total of 100 national human development reports had been published in over a dozen languages. These publications are important advocacy tools, linking ideas expounded in the global report with the UNDP projects being implemented on the ground in each country.

30. Country offices also played an important role in designing and implementing the travelling media seminars to five regions in 1997.

31. A growing number of offices are benefiting from the synergies evolving integration of UNICs and the Office of the Resident Coordinator. For example, UNICs were major players in organizing joint United Nations system events and in evaluating the success of media campaigns by helping to collect press clippings and monitor broadcasts.

2. Liaison offices

32. UNDP provides information on the UNDP role in development to influential constituencies and the public through its liaison offices in donor capitals. To this end, the offices build close ties with parliamentarians, government officials, development agencies, NGOs, CSOs, academia, schools and the business sector. The offices work closely with UNICs and with the representatives of the United Nations specialized agencies. United Nations associations and a network of UNDP correspondents - retired UNDP professionals - are among the allies that help to spread outreach to communities throughout the countries served. All offices use the latest electronic technology both for transmitting materials and for monitoring the media use of UNDP releases and information.

33. The European Office in Geneva maintains direct contact with members of parliament, government officials and the general public in European countries, especially Austria, Belgium, France, Germany, Ireland, Italy, Netherlands, Portugal, and Spain. In support of this process, it distributes a digest specially targeted to parliamentarians. More than 50 European mayors have been enlisted in the World Alliance of Cities against Poverty.

34. The Nordic Liaison Office in Copenhagen has sub-offices in Oslo and Stockholm, and is looking at how to extend coverage to Finland. The Nordic Liaison Office identifies NGOs and other partners in the development community to collaborate in all launchings, conferences and other activities, in order to increase impact and to ensure a local angle to the issue at hand. This office also organized media trips to Kyrgyzstan, Laos, Mali, Mongolia, Pakistan, and Viet Nam, which resulted in 313 articles in the print media and 167 minutes of air time on radio and television. The media trip to Kyrgyzstan resulted in television coverage of the plight of children. After viewing the coverage,

Norwegian officials contributed $1 million to set up an institution to help children in Kyrgyzstan.

35. The Brussels Office creates numerous opportunities to present UNDP work to organizations of the European Commission and the European Parliament, as well as to those of the Governments of the Benelux countries. Presentations in 1997 focused on overseas development assistance, governance, conflict prevention and the environment.

36. For the Tokyo Liaison Office, media relations are a major component of the work. Focused distribution of media materials is complemented by direct contact with journalists. The office has vigorously participated in a United Nations system-wide information and advocacy campaign that emphasizes the importance of development and humanitarian assistance. The Tokyo Office devotes special attention to providing materials in Japanese, which are distributed by fax and electronically, wherever possible. An entirely new pamphlet, explaining the policies and achievements of UNDP for Japanese audiences, was published in 1997.

37. The principal task of the Washington Office is to enhance public awareness and support for UNDP in the United States by presenting UNDP both in Washington and around the country, through joint advocacy with Congress, NGOs and private sector constituencies.

38. To supplement the work of the liaison offices, UNDP officials make regular visits to donor countries for high-level consultations. As indicated in other parts of the present report, UNDP also participates in special events in donor countries.

III. NEXT STEPS

39. UNDP intends to continue joining forces with development partners to increase advocacy for anti-poverty measures. As part of the process to strengthen UNDP-donor country cooperation, DPA plans to systematize the development of country booklets on programme co-financing, boost co-productions of the Azimuths television magazine, increase co-sponsorship of media trips, and regularize exchange of information on success stories. In addition, the format of the special booklet developed for parliamentarians facilitates the inclusion of material tailored to individual countries. Negotiations with programme country partners are also under way to bolster their role in advocating for development in general and UNDP in particular, especially in donor countries.

40. Outreach to parliamentarians has been highly successful with support from a Belgian trust fund; UNDP will seek to extend and expand this work. There are also plans to build routinely into the schedules of parliamentarians visits to project and programme sites to allow them to witness first hand the difference that UNDP is making in the lives of ordinary people.

41. There will be expanded deployment of eminent public personalities from the North and the South to highlight the role of UNDP in the worldwide crusade against poverty. The first Goodwill Ambassador, internationally acclaimed actor and human rights activist Danny Glover, was officially appointed in March 1998.

Two more goodwill ambassadors are expected to be appointed in Europe and Japan this year. The Administrator will appoint international personalities while regional and national spokespersons will be chosen from a pool of candidates provided by country and liaison offices to enable UNDP to reach multiple audiences.

42. UNDP aims to distribute publications in multiple languages. While local production helps to increase the number of language versions, the limiting factor at headquarters is the shortage of financial resources. To overcome financial constraints, a campaign is under way to ensure the systematic earmarking of resources for communication and advocacy in the budgets of all programmes, projects and special funds at the international, regional and national levels. Additionally, in-kind information contributions are sought from donors, government counterparts, NGOs and other stakeholders.

IV. CHALLENGES FOR 1998

43. UNDP faces several key challenges in 1998 in implementing Board legislation, notably decisions 97/17 on the communications and information policy, 98/1 on narrowing the focus of UNDP interventions and 98/3 on the funding strategy for UNDP. These are to:

(a) Sharpen the UNDP profile, differentiating the organization clearly from other providers of development services;

(b) Identify and publicize best practices and success stories where UNDP is bringing value added and making a difference on the lives of the poor;

(c) Develop clearer and more strategic messages on UNDP development work that will mobilize political and financial support from target audiences;

(d) Implement the public information disclosure policy;

(e) Launch strategically targeted advertising campaigns in contributor and programme countries;

(f) Implement the revised UNDP publications policy;

(g) Streamline information materials and publications;

(h) Ensure that relevant information materials are in United Nations working languages and on the Internet;

(i) Intensify training to make UNDP a more extroverted organization so that staff are better trained to talk about what UNDP does, what it stands for and the positive results it has had;

(j) Identify strategic events and forums for raising UNDP's profile in a wide range of constituencies in both programme and contributor countries.

44. As indicated in the above paragraphs, and as reflected in the introduction to the annual report of the Administrator (DP/1998/17), important progress was made in 1997 to sharpen the profile of UNDP in response to Executive Board legislation, the evolving development cooperation environment, and United Nations reforms. Efforts are being made to build a more extroverted organization based on a true communications culture. However, much more needs to be done to carve out a distinctive profile for UNDP in implementing decisions 98/1 and 98/3.

45. The Administrator is committed to overcoming the difficulties involved in creating a sharper corporate profile for UNDP; building on important progress in communications to date; and in improving public knowledge of UNDP work at the global, regional and country levels in helping programme countries to combat poverty and work towards sustainable human development.

V. EXECUTIVE BOARD ACTION

46. The Executive Board may wish to:

1. Take note of the report of the Administrator on communication and information policy (DP/1998/23);

2. Continue its support, in the spirit of decisions 97/17 and 98/3, to the efforts of UNDP to project a clear image of its development work.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/24
30 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 15 of the provisional agenda
UNOPS

UNITED NATIONS OFFICE FOR PROJECT SERVICES

ANNUAL REPORT OF THE EXECUTIVE DIRECTOR ON THE ACTIVITIES OF THE UNITED NATIONS OFFICE FOR PROJECT SERVICES

SUMMARY

The present report and the statistical summary (DP/1998/24/Add.1) are submitted pursuant to Executive Board decision 94/32 of 10 October 1994. UNOPS has come close to or has surpassed its 1997 financial targets and has operated in accordance with the self-financing principle. The report also describes actions taken with regard to implementation of the 1997 UNOPS Business Plan. Internal oversight issues are addressed in document DP/1998/21/Add.1.

I. BACKGROUND

1. In its decision 94/32 of 10 October 1994, the Executive Board requested the Executive Director to report annually on the activities of the United Nations Office for Project Services (UNOPS).

2. In line with decision 95/1 of 10 January 1995, in which the Executive Board approved the role and functions of the UNOPS Management Coordination Committee (MCC), the present report has been reviewed and cleared by the MCC.

3. Since its inception, UNOPS has adopted business planning as one of its distinctive management practices. The business variables and targets contained in the 1997 Business Plan, made available to the Executive Board at its third regular session 1997, are consistently used in the present report. Fiscal year 1997 data contained in the report are provisional and unaudited as of the end of February 1998.

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II. FINANCIAL PERFORMANCE

4. Following the all-time high of $533 million of new business acquired in 1996, the target for 1997 was set at $573 million. This target was reached in October 1997, and by the end of the year business acquisition amounted to $705 million, exceeding the target by 23 per cent. Figure 1 provides a record of acquisition of new business for each of the years from 1987 to 1997.

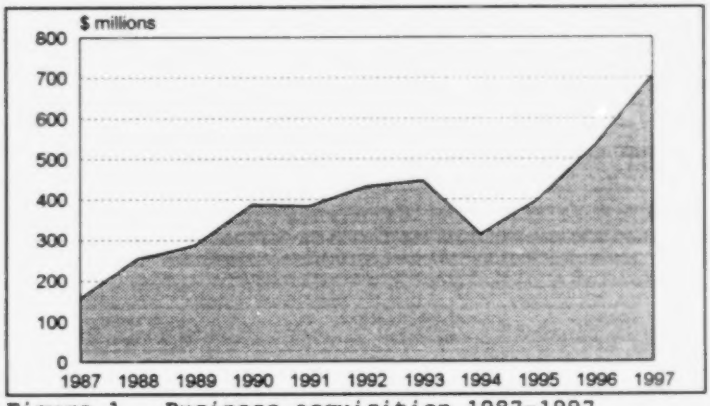

Figure 1. Business acquisition 1987-1997

5. There are several noteworthy developments in the composition of the newly acquired project portfolio. The highest growth rate (close to 500 per cent) was registered for clients from the United Nations system other than the United Nations Development Programme (UNDP) although their share does not yet reach 10 per cent overall. A significant increase can also be reported in projects funded from UNDP core resources, which, at a total of $374 million represents twice the amount acquired in 1996. Management Services Agreements (MSAs) carried out on behalf of UNDP, on the other hand, have dropped by over $65 million, with new acquisitions amounting to $158 million (figure 2). This is the first decline in the acquisition of new MSAs, which have for over ten years been the mainstay of UNDP non-core resources channelled through UNOPS. New Global Environment Facility (GEF) projects have dropped sharply while those from the Montreal Protocol have dropped slightly. New trust fund projects, on the other hand, have again risen in value in 1997.

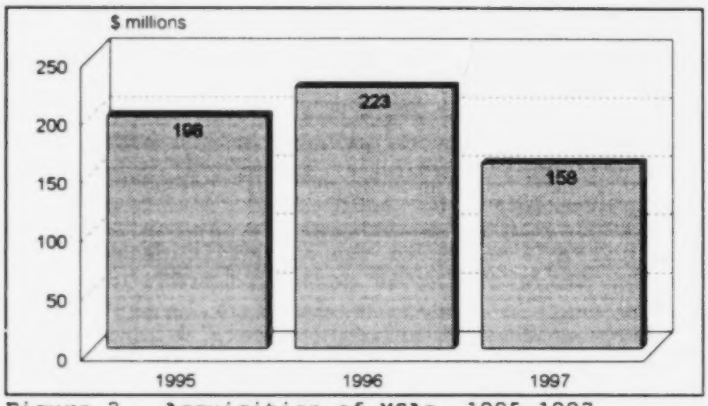

Figure 2. Acquisition of MSAs, 1995-1997

6. The value of the total UNOPS portfolio, including loan administration (referred to since the last annual report as the "services only" category), has reached a level of $3.0 billion. In 1997, there were 19 new loans, amounting to $261 million, added to the UNOPS portfolio, bringing total acquisition during the year to $964 million. As of January 1998, the value of the loans administered by UNOPS on behalf of the International Fund for Agricultural Development (IFAD) amounted to $1.6 billion, exceeding for the first time the amounts of funds entrusted to UNOPS under the project portfolio (see figure 3).

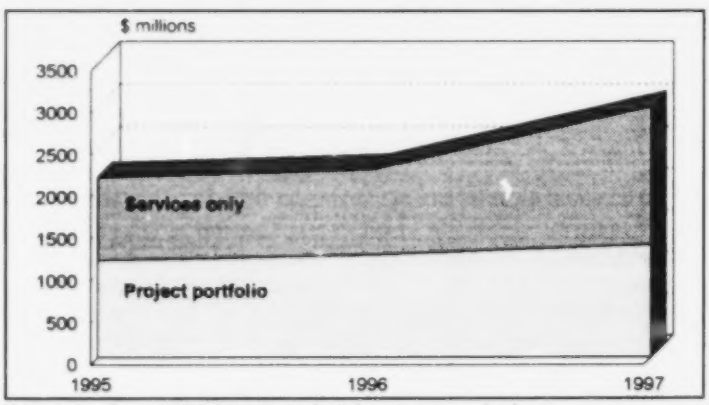

Figure 3. UNOPS portfolio composition

7. With regard to delivery, the 1997 target was set in the Business Plan at $500 million against funds entrusted for 1997. Provisional data indicate a delivery of $464 million, which would yield a delivery rate of 93 per cent of the target. Delivery in the UNDP core budget portfolio, which had reached a record level of $179 million in 1996, continued to grow even further and reached $208 million in 1997. In addition to funds handled on behalf of clients, UNOPS

has issued an all-time high of $147 million in disbursement authorizations under IFAD loans, bringing total UNOPS delivery in 1997 to $611 million.

8. Income had been estimated at $40.6 million in the 1997 Business Plan. Provisional data indicate that income will be in the order of $40.5 million. As in previous years, the largest portion of income (87.2 per cent in 1997) has been generated by project execution. The services-only category accounts for 10.1 per cent and other (mainly interest on the operational reserve) for 2.7 per cent of the income. Owing to the strong increase in demand for services from UNDP in 1997, the share of income generated from funds owned by UNDP has increased from 81 per cent in 1996 to 84 per cent in 1997 (see figure 4).

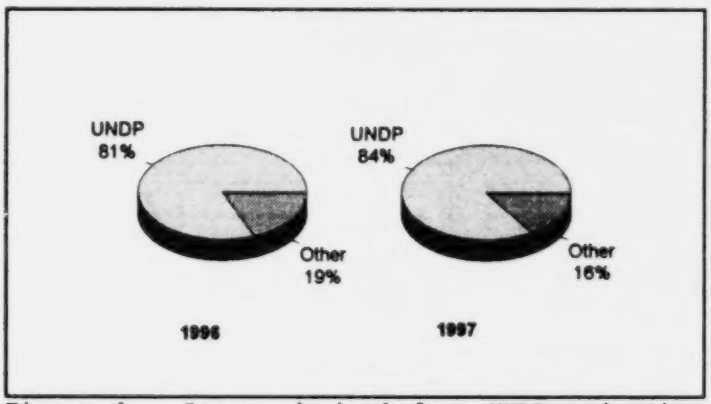

Figure 4. Income derived from UNDP and other clients

9. The target for administrative costs had been set at $38.5 million. Preliminary data indicate that expenditures against the administrative budget amounted to $35.3 million, i.e. 8.3 per cent lower than planned. This includes payment to UNDP for the provision of central administrative services of $3.1 million and to UNDP country offices for services provided on behalf of UNOPS of $2.0 million. Major factors contributing to this lower-than-projected expenditure are (a) an overall reduction in UNDP central service costs for the 1996-1997 biennium obtained entirely in 1997 and (b) a lower-than-anticipated expenditure on the development and implementation of information systems, the costs of which, however, are expected to increase significantly in the 1998-1999 biennium.

10. The overall average administrative overhead rate, representing administrative costs incurred for project services rendered, was, as in the two previous years, less than 7 per cent (see figure 5).

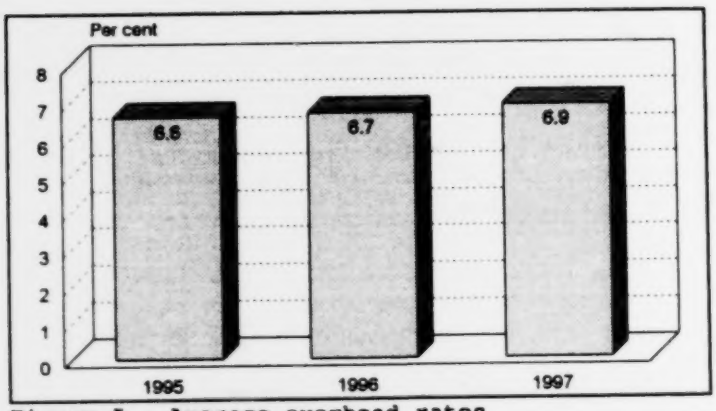

Figure 5. Average overhead rates

11. The self-financing principle requires UNOPS to generate enough income to cover all administrative expenses and to maintain the operational reserve at the prescribed level. In its decision 97/21 of 18 September 1997, the Executive Board set the level of the operational reserve at 4 per cent of the total of project delivery plus administrative expenditures of the previous year. The level of the reserve therefore needs to be adjusted from $17.1 million to $20.0 million. The total of $35.3 million (administrative expenditure) plus $2.9 million (additional to the operational reserve) equals $38.2 million. Considering that total income amounted to $40.5 million, this yields a self-financing rate of 106.0 per cent, down from 109.5 per cent in 1996.

12. In sum, overall financial performance in 1997 has again come very close to the targets set in the 1997 Business Plan and, in some instances, has even gone slightly beyond the targets (see figure 6). Important performance marks were crossed for the first time, such as the $900 million mark for total acquisition, $600 million for delivery and $40 million for income. Most significantly, in 1997 UNOPS was once again able to operate successfully in accordance with the self-financing principle.

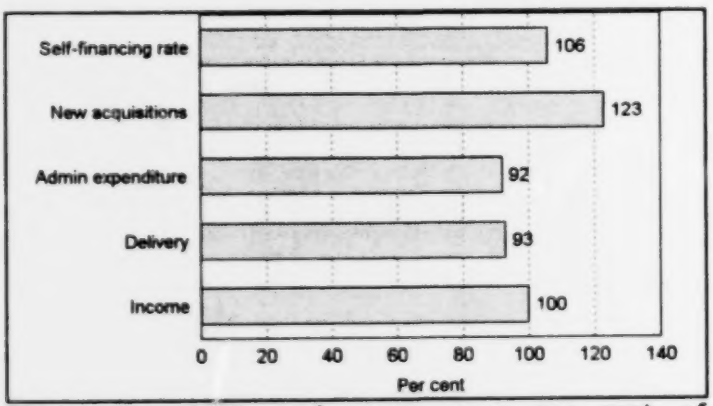

Figure 6. 1997 performance as a per cent of Business Plan targets

13. Provisional statistics on UNOPS performance in 1997 are presented in addendum 2 to the present document.

III. REVIEW OF THE NON-FINANCIAL OBJECTIVES OF THE BUSINESS PLAN

14. The 1997 Business Plan focused on five key non-financial objectives. Progress has been achieved on each of them.

A. Cost assessment and fee-setting

15. The attention of the Executive Board is drawn to document DP/1998/25, the report of the Executive Director on follow-up to the recommendations of the Board of Auditors, in which issues of cost assessment and fee-setting have also been addressed.

16. The increasing diversification of UNOPS clients and of service offerings has raised the overall importance of cost assessment and fee setting for several reasons: (a) UNOPS must be able to ensure that its clients are receiving good value at a fair price; (b) UNOPS must ensure that the fees it sets for services are sufficient to cover the cost associated with providing the services; and (c) UNOPS must ensure, in order to contain its own operating costs, that it pays a reasonable price for services it obtains from United Nations organizations and other providers.

17. Until its establishment in 1995 as a separate entity, UNOPS was largely insulated from these considerations because of its placement within UNDP. UNOPS is still learning how to manage these issues in a businesslike manner; it is improving both its tools and its techniques for doing this.

18. The most obvious example of this improvement is the UNOPS business-planning process. In each successive Business Plan (the 1998 Business Plan will be made available to the Executive Board at the current session), UNOPS has been able to project with increasing specificity the anticipated volume, cost and income associated with different parts of the project portfolio. With business planning now firmly established at the organizational unit level, it is anticipated that UNOPS will continue to sharpen its skills in this regard.

19. Another step forward in 1997 was the improvement of the formula used by UNOPS to allocate its own "common costs" to individual organizational units. The ability to do this has been greatly enhanced by the movement towards full-function integrated teams organized around specific lines of business, on which the Executive Director has reported previously. The formula, revised by the Finance, Control and Administration Division on the basis of the new organizational structure, now provides a more transparent basis for ensuring that the various segments of the UNOPS project portfolio are self-financing.

20. UNOPS has also strengthened the cost-recovery assessment applied to each new project through the Project Acceptance Committee (PAC) review process, with relevant notations now being regularly included in the PAC documentation.

21. The umbrella agreement that UNOPS has signed with UNDP also represents a step forward, in that it clarifies the working relationship that the two organizations have with each other. This agreement provides a framework for the development of more detailed arrangements on the nature and cost of specific services. Work is continuing in 1998 on these issues, as noted below in paragraphs 40-41.

B. Communications policies and strategies

22. In the three years since its establishment, UNOPS has made significant progress in improving the quality and scope of information items. UNOPS information products are oriented to its clients, and each is intended to explain to existing or prospective clients a particular dimension of UNOPS services. Items produced in 1997 include the annual report, brochures presenting existing or new services, the 1998 UNOPS folding calendar, and posters portraying programmes and projects. UNOPS continues to produce its information materials in various languages, including English, French, Japanese and Spanish. A new table providing an overview of information items produced in 1997, their purpose, and the languages in which they have been developed is included in addendum 2 to the present report.

23. Design awards were won by the 1997 UNOPS calendar and by the Haiti poster series released in 1996.

24. In order to ensure that all UNOPS information materials are of a high professional standard and conform to United Nations and UNOPS guidelines and practices, UNOPS established in 1997 the External Communications Committee (ECC), which is charged with reviewing and endorsing an annual communications strategy and with reviewing and approving the content (factual and editorial) of all key information products, whether emanating from headquarters or from decentralized offices. The ECC has approved comprehensive guidelines and procedures for materials production that are already in effect and will be promulgated early in 1998.

C. Team-building and coordination issues

25. The UNOPS reform process had in its first stages concentrated on (a) transforming operational units into integrated teams; (b) strengthening the non-operational functions to provide high-quality professional services based on best practices; and (c) an ongoing overhaul of operational policies and procedures. Work carried out during successive management retreats revealed that, while management capacities had improved throughout UNOPS, they were not yet sufficiently uniform throughout the management structure.

26. In June 1997, a Strategic Leadership Team (SLT) comprised of the Executive Director, the Deputy Executive Director, and the three Assistant Directors was established. The SLT provides overall leadership by establishing strategic directions, setting priorities, deciding on strategic investments, ensuring compatibility with United Nations values, and enhancing internal and external communication processes. The SLT has adopted rules for conducting its business

that set high performance standards for its members and aim to provide a framework for leadership by example.

27. Improvements in coordination and communication also followed from the annual management retreat. Agreement was for the first time reached on the principle of and modalities for the sharing of responsibility for business acquisition, project implementation, and of income between different operations divisions. It is expected that this agreement will help to stimulate inter-divisional cooperation on projects. The special needs and concerns of the growing number of decentralized offices were also given greater attention. Changes resulting from this consideration include the rescheduling of some regular meeting times to allow for participation by staff away from New York via video conferencing, in-house advance notification of travel schedules, and the inclusion of additional relevant information on the intranet accessible to UNOPS staff at all locations.

28. In order to ensure that documentation standards and schedules for Executive Board submissions are maintained, the Planning and Information Division has been assigned the responsibility for coordinating the production of such documentation, including liaison with the Executive Board secretariat.

D. Information systems

29. UNOPS has carried out the analysis and planning activities that it had projected in 1997 for the important area of information systems. The findings and implications are discussed below in paragraphs 56-60.

E. Risk management

30. UNOPS concluded a comprehensive risk and liability review in 1997 and discussed its findings with both the MCC and the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The review concluded that the UNOPS operational reserve, initially established at a level equal to 20 per cent of the annual administrative budget, was insufficient to match the risks to which UNOPS is exposed as a self-financing operational entity.

31. In his report on risk management, reserves and surplus income (DP/1997/26) presented to the Executive Board at its third regular session 1997, the Executive Director summarized the findings of the review and outlined an approach to financial risk management and the required level of reserve funding. The recommendations of this report were endorsed by ACABQ in its report DP/1997/28. Through its decision 97/21, the Executive Board established the level of the UNOPS operational reserve at 4 per cent of the combined expenditure on administrative and project budgets of the previous year. Drawdowns from the operational reserve will be reported to the Executive Board in conjunction with its annual review of the budget.

32. The UNOPS risk management strategy includes much more than the operational reserve, which is the mechanism of last recourse. To minimize any potential drawdowns on the reserve, the Policy and Contracts Division is focusing

attention on potential claims resulting from contracts. In addition to regularly refining and updating the text of basic contracting instruments used by UNOPS staff, the Division is also actively involved in a wide range of deliberations and claims, currently numbering 13, in order to ensure that the interests of UNOPS and of its clients are protected. The Division has also overseen the development of the UNOPS contracting training modules that are intended to reduce potential claims by raising the level of professionalism of UNOPS contract administrators.

33. UNOPS has also limited its risk exposure by obtaining, in consultation with the United Nations, insurance covering UNOPS property in New York and in decentralized offices. Discussions are also under way to assess the scope and amount of coverage that may be appropriate under an errors and omissions policy.

IV. UNOPS REFORM AND REORGANIZATION

34. Three key elements of the continuing UNOPS reform and reorganization process are addressed in this section.

A. Human resources management

35. In June 1997, the former Administration Section merged with the former Project Personnel Section, creating a new Human Resources Management Section (HRMS). This places management of project personnel and of UNOPS staff under one roof and enables UNOPS to achieve economies of scale in the management, administration and development of UNOPS staff resources. It also facilitates mobility between project and staff assignments, which is a cornerstone of the UNOPS human resources policy. In 1997, two senior project staff have been selected for management positions in UNOPS proper.

36. Initiatives already taken in 1995 and 1996, such as the simplified performance appraisal programme, the establishment of a UNOPS-specific appointment and promotion machinery, and the implementation of the integrated team approach, have laid the ground for new human resource strategies. While these initiatives continue to be implemented, evaluated and further refined on the basis of experience gained, a number of additional initiatives have been taken. They include:

(a) A thorough review of current contracting tools in order to determine their suitability to UNOPS requirements;

(b) The active promotion of interchange between project assignments and assignments to UNOPS staff functions in order to provide broader staff development opportunities;

(c) Increased authority to operational divisions and project management personnel through revised guidelines on the recruitment and administration of project personnel; and

(d) Increased emphasis on the development of training modules for project personnel.

37. "Upward feedback" is among the new instruments introduced in 1997. It is designed to provide feedback to senior staff on their performance as managers as seen by their subordinates. In the pilot exercise carried out in 1997, upward feedback was provided anonymously for all managers supervising five staff or more. The result constitutes one among several performance indicators that are reviewed on an annual basis. As practised in UNOPS, upward feedback is less a tool for performance appraisal than an element in the context of skills development, a central objective of the UNOPS performance review system. UNOPS is carrying out an independent review of this experience in conjunction with the 1998 performance review, with the intent of determining the real and potential benefits of upward feedback to individuals and to the organization.

B. Decentralization

38. Decentralization has been one of the tools, in recent years, through which UNOPS has striven to lower cost and to improve the quality of its services. On the basis of these criteria, decentralized offices were opened in 1995 in Kuala Lumpur (UNOPS Asia Office) and in 1996 in Geneva (the Rehabilitation and Social Sustainability Unit) and Copenhagen (Procurement Projects Division). These offices are currently fully operational and meeting the expectations that motivated their establishment.

39. Following a review with the MCC of costs and benefits, a new decentralized office was established in 1997 in Abidjan. While initially the office will be devoted to servicing rural development projects financed or co-financed under IFAD Loans in Western and Central Africa and projects of the United Nations Capital Development Fund (UNCDF), arrangements are being made to satisfy through the Abidjan Office the demand for other services to current and new clients routinely provided by UNOPS.

C. Agreements with UNDP

40. The umbrella agreement with UNDP was concluded and was distributed to UNDP country offices in 1997. It was also made available to members of the Executive Board. A second agreement was reached with UNDP regarding the provision of internal audit services. With regard to the provision of and transparent compensation for central administrative services, UNOPS and UNDP have conducted a review upon which an agreement on compensation arrangements for the 1996-1997 biennium will be based. These arrangements, which are nearly finalized, will provide the basis for reaching agreement on compensation arrangements for the 1998-1999 biennium.

41. In the umbrella agreement, it is envisioned that UNDP would provide representational services to UNOPS through its country offices. Issues that have arisen in some countries are currently being reviewed by the two organizations.

V. UNOPS SUPPORT TO THE UNITED NATIONS REFORM EFFORTS

42. UNOPS has been a member of the United Nations Development Group (UNDG) since its establishment by the Secretary-General. In addition to participating in the UNDG deliberations, UNOPS has been an active member of the UNDG Support Group. In 1997, the Executive Director also made presentations on the UNOPS reform process to the United Nations Management Reform Group and to the United Nations Staff College in Turin.

43. At the request of the Assistant Secretary-General, Office of Conference and Support Services, and Chairman of the Task Force on Common Services, UNOPS agreed to chair the Working Group on Common Services for Procurement. This Working Group includes representation from the Secretariat's Procurement Division, including peacekeeping procurement at headquarters and in the field, the United Nations Children's Fund, UNDP, the United Nations Population Fund, the Office of the United Nations High Commissioner for Refugees, the World Food Programme, and UNOPS. The Working Group has focused on:

(a) An analysis of procurement effected by each entity from both headquarters and field locations;

(b) Selection of items of procurement action that could be undertaken by a lead agency or by a combination of United Nations organizations in new joint efforts;

(c) Development of common procurement principles for adoption by each concerned entity, through amendments to their Financial Regulations and Rules, in order to support further harmonization efforts that are part of the United Nations reform.

This UNOPS-led Working Group is coordinating its activities with the Inter-Agency Procurement Working Group (IAPWG), which includes procurement officials from all United Nations specialized agencies.

44. Upon the appointment by the Secretary-General of the Executive Coordinator for Common Services in October 1997, UNOPS made available, at no cost to the United Nations Secretariat, the services of a senior Operations and Management Specialist for a period of three months. This staff member assisted the Executive Coordinator in defining an overall strategy for common services and in coordinating the activities of the Task Force on Common Services and its 11 Working Groups.

VI. NEW UNOPS SERVICE OFFERINGS

45. Consistent with the principle that UNOPS services should be available to the United Nations system as a whole, demand has evolved for a number of new services.

46. In 1997, UNOPS began providing services to United Nations entities whose responsibilities go beyond the area of development cooperation. United Nations entities added to the list of UNOPS clients in 1997 include the Department for

Political Affairs, the Department for Peacekeeping Operations, and the former Department for Humanitarian Affairs. A special agreement is being negotiated with the Office of the High Commissioner for Human Rights.

47. Responding to increasing demand in the complex area of demining, involving activities in Angola, Bosnia-Herzegovina, Cambodia, Croatia, Iraq and Mozambique, UNOPS has established a Mine Action Unit that combines technical, managerial and legal expertise in one team. Programmes currently handled by UNOPS include the following features: mine detection and clearance; training of demining personnel; mine-awareness programmes; and rehabilitation programmes for victims of mine-related injuries.

48. In the past, the UNOPS Fellowship and Training Section managed project training for a variety of clients. In 1997, UNOPS designed a number of training courses in the framework of its own activities; these constitute new training products in two areas. The first area includes systematic training courses and refresher training in project management for Chief Technical Advisors of projects that have been entrusted to UNOPS. Secondly, building on the success of training activities in contracting, including procurement ethics, originally developed for in-house consumption, UNOPS has organized and led the development of a basic procurement policy training course in cooperation with the UNICEF Supply Division and with the UNDP Inter-Agency Procurement Services Office (IAPSO). The course, entitled "Essential principles of public procurement: best practices and professional responsibility", was presented several times in Copenhagen and New York for all three organizations, as well as in the field for UNICEF. Demand for this activity is expected to grow further in 1998.

49. In line with the discussions held on common services and capitalizing on the joint presence of the two parties in Copenhagen, IAPSO and UNOPS established in 1997 the facility known as the Joint Procurement Services for Development, Relief and Rehabilitation. Requests for services are reviewed by a joint management team, thus ensuring a prompt response. Procurement is carried out by one of the two cooperating offices on the basis of their comparative advantage and organizational strength relative to each service request.

50. In paragraph 14 of its report on risk management, reserves and surplus income (DP/1997/28), ACABQ expressed the view that the "rapid increase in programme delivery ... is directly related to the implementation of the UNOPS reform and the introduction of new work methods". The UNOPS management reform led to visible results in a relatively short period of time and was carried out at modest cost. In 1997, UNOPS started to exchange experiences in the area of management and organizational reform with other organizations engaged in project services such as the German Agency for Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit) and the Swedish International Development Agency. UNOPS is currently engaged in discussions with two clients who have expressed potential interest in management consulting services.

VII. HURDLES

51. While implementation of the 1997 Business Plan was largely successful, there are areas where progress was slow or where unexpected difficulties were encountered.

A. Diversification of the UNOPS clientele

52. Non-traditional United Nations client interest in using UNOPS services has grown considerably in 1997. Expressions of interest have been received from several specialized agencies, including the International Labour Organization, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, and the World Food Programme.

53. The greater number of concrete requests in 1997 for UNOPS services was from Departments of the United Nations Secretariat and other entities under its purview. The absence of standard modalities for transferring funds from the United Nations Secretariat to UNOPS for the execution of activities entrusted to UNOPS has been an obstacle to further diversification. Mechanisms that would allow for the timely transfer of funds have been proposed to the United Nations Secretariat, after review in the MCC, but progress has thus far been made only on a case-by-case basis.

B. Management information systems

54. As indicated in its budget submission for the 1998-1999 biennium (DP/1997/29), UNOPS anticipated having to devote considerable resources, both human and financial, to addressing imminent information systems needs. Of particular concern in this regard is ensuring that UNOPS information systems are year 2000-compliant and that adequate interfaces with the United Nations Integrated Management Information System (IMIS) are established.

55. UNOPS contracted an outside consulting firm to assist in the definition of present and future UNOPS business needs and their implications for systems development. The firm also conducted a gap analysis, involving Price Waterhouse, the contracting firm for IMIS, in which the systems needs of UNOPS were compared with the functionalities provided in IMIS. While the gap analysis revealed that IMIS provides only a partial solution to UNOPS information systems needs, UNOPS has decided to proceed initially with an implementation of the IMIS system, in partnership with UNDP, to be followed subsequently by implementation of any needed enhancements or supplementary systems development. This approach, recommended by the MCC, has been adopted for three principal reasons:

(a) The window of opportunity between now and the year 2000 is too small for UNOPS, with limited financial, human and technical resources at its disposal, to be able to guarantee development and implementation of a stable and reliable alternative system;

(b) As part of the United Nations system, any UNOPS information system must be linked with IMIS at least sufficiently to permit payroll operations to be carried out;

(c) The United Nations is including IMIS within the scope of the common services reform package; UNOPS wishes to support this effort in so far as it does not compromise the organization's ability to operate effectively within the self-financing principle.

56. The implementation plan for the above-mentioned approach must balance two different, but related, dimensions of the problem. On the one hand, the project management approach that UNOPS uses to serve its clients - characterized by flexibility, speed and cost-effectiveness - provides an appropriate framework for meeting the time-bound and immediate challenge of the IMIS and year 2000 issues. On the other hand, IMIS assimilation and year 2000 compliance are not separate and peripheral to ongoing information systems operations - they are inextricably bound together by common technical considerations, internal service commitments and staff capacities.

57. At the same time, the importance of information systems/information technology (IS/IT) as a mission-critical function within UNOPS has increased for several reasons:

(a) UNOPS is increasingly using IS/IT for competitive advantage in areas such as operations streamlining, telecommunications and project monitoring;

(b) The IS/IT platform is the backbone for effectively operating a decentralized organization with significant delegated authority;

(c) The unique nature of UNOPS information needs is requiring UNOPS to assume greater responsibility for planning, maintaining and managing its own IS/IT platform.

58. In considering its options, UNOPS has also taken note of the IS/IT practices and approaches being adopted by other organizations, including from within the United Nations system. In particular, UNOPS has taken into account the draft recommendations of the Board of Auditors and the draft strategy paper of the Information Systems Coordination Committee (ISCC) on the establishment of the function of Chief Information Officer (ACC/1997/ISCC/5).

59. The Executive Director has concluded that the best way of balancing the different but related demands of the longer-term core IS/IT strategic functions and the project orientation of the IMIS and year 2000 issues is to place responsibility for both under a unified management structure to be headed by a Chief Information Officer (CIO) at the D-1 level. The CIO will report to the Executive Director, and will be responsible for overall IS/IT strategy formulation, maintenance of ongoing operations and management of the IMIS/year 2000 project.

60. Executive Board decision 94/32 of 10 October 1994 requires that the Executive Board approve in advance the establishment of any post at the D-1 level or higher. The current and projected financial circumstances of the

organization indicate that UNOPS has sufficient income to cover the costs associated with this post. The proposal has been placed before the MCC, which has provided its endorsement. The Executive Board is therefore requested to approve establishment of the CIO post at the D-1 level with effect from 1 July 1998.

C. Office premises

61. The current lease of UNOPS premises expires in September 1999. The owners of the building in which the present UNOPS premises are located informed UNOPS in the second half of 1997 that they will not renew the UNOPS lease in 1999. Consequently, UNOPS will be obliged to relocate its headquarters to different premises.

62. As in the management information area, UNOPS has constituted a project to handle the entire relocation exercise. The project will have a duration of approximately 20 months, and is beginning with professional consultancy assistance in assessing the future space needs of the New York headquarters office and the cost implications thereof. The exercise is being carried out in consultation with the relevant Departments of the United Nations Secretariat.

VIII. REPORT ON INTERNAL OVERSIGHT

63. At its second regular session 1996, the Executive Board requested UNDP and UNFPA to report, on an annual basis, on internal audit and oversight activities. Equivalent information for UNOPS is provided in addendum 1 to the present document. The Executive Board may note that such information on UNOPS has previously been included in the annual report of the Administrator to the Executive Board.

IX. DRAFT DECISION

64. The Executive Board may wish to:

(a) Take note of the report of the Executive Director of the United Nations Office for Project Services (DP/1998/24), further noting that UNOPS continues to operate successfully in accordance with the self-financing principle;

(b) Request the Management Coordination Committee to assist and guide the Executive Director of the United Nations Office for Project Services in finding appropriate responses to those areas identified in document DP/1998/24 in which UNOPS progress is slow or where unexpected difficulties are being encountered;

(c) Approve the establishment of the post of Chief Information Officer at the D-1 level with effect from 1 July 1998.

UNITED
NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/24/Add.1
24 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 16 of the provisional agenda
UNOPS

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Annual report of the Executive Director on the activities of the United Nations Office for Project Services

Internal oversight

I. INTRODUCTION

1. The present report is the first in which internal oversight issues of the United Nations Office for Project Services (UNOPS) are addressed separately from those of the United Nations Development Programme (UNDP). As UNOPS obtains numerous administrative services from UNDP, however, many of the audit and oversight initiatives undertaken by UNDP also affect UNOPS. Such activities are presented in document DP/1998/26, which the Executive Board may wish to consider in conjunction with the present report.

2. The oversight framework for UNOPS includes three elements: (a) external audit, performed by the United Nations Board of Auditors; (b) internal audit, a remunerated service provided by the Office of Audit and Performance Review (OAPR) of UNDP under the terms of an agreement between the two organizations; and (c) internal management oversight that is directly associated with the self-financing principle by which UNOPS operates.

II. INTERNAL MANAGEMENT OVERSIGHT

3. Oversight activities in a self-financing organization such as UNOPS are woven particularly closely into day-to-day operations. Financial viability is dependent upon regular monitoring of all aspects of ongoing operations: this

monitoring enables early detection of and initiation of corrective action for any problems of a financial or operational nature that arise. In this regard, the financial model first presented by UNOPS in document DP/1995/60 continues to provide a sound framework for financial oversight and management of UNOPS, as illustrated by the financial performance recorded in the three years since the establishment of UNOPS.

4. An operational entity such as UNOPS also has a wide range of risk exposures that are directly related to the type of work it performs. UNOPS has moved aggressively to manage and contain these risk exposures; its approach to risk management is presented in detail in document DP/1997/26. This approach proactively blends measures that prevent, limit or transfer risk exposures. As reported in document DP/1998/24, for example, UNOPS has developed a procurement training programme to minimize various types of risk exposure relating to contracting and procurement activities, and, in particular, to reduce the likelihood of procedural mistakes. It is also improving its insurance coverage to protect against other risks. The Policy and Contracts Division regularly reviews and updates standard documents to ensure that the maximum amount of protection is provided to UNOPS through its contracts and agreements. The business planning process introduced in 1995 provides a means of regularly prioritizing and monitoring organizational performance with regard to both financial and non-financial objectives.

5. In addition, UNOPS activities are overseen by the Management Coordination Committee, which reviews and clears UNOPS budget submissions, business plans, and key strategies, such as decentralization activities and information systems plans.

III. BOARD OF AUDITORS

6. UNOPS is now audited and reported on separately by the United Nations Board of Auditors, which is currently concluding management reviews on management information systems, procurement, and human resources management issues. UNOPS reported to the Executive Board in documents DP/1997/27 and DP/1998/25 on its follow-up to the previous report of the Board of Auditors (A/51/5/Add.10).

IV. FINDINGS OF THE OFFICE OF AUDIT AND PERFORMANCE REVIEW

7. The UNOPS section of OAPR currently includes 7 of the 39 OAPR posts, with 4 of the UNOPS posts being for auditors. The information presented in the present section contains the views of, and has been discussed with, OAPR.

8. The current portfolio of active projects and management services agreement (MSA) activities is approximately 1,700. During 1997, OAPR conducted audits and reviews of both headquarters operations and projects and other activities in the field. This included audits of management and other support services provided by UNDP through UNOPS under Letters of Agreement between the Borrowing Governments and UNDP with respect to activities financed from World Bank loans. This audit was carried out as required by the agreement between the World Bank and UNDP on the audit modality of MSAs, under which UNDP is to

provide the Borrowing Governments with audited financial statements for each MSA with expenditure above $100,000 during the fiscal year under consideration.

9. At headquarters, a management audit of the Montreal Protocol Trust Fund-funded Portfolio of UNOPS-executed Projects, an audit of Completion of UNOPS Executed Projects and desk audits of two country projects in the Latin America and the Caribbean region were performed. Also, the audits of 11 MSAs for the activity year 1996 were performed at headquarters with support from local audit firms in three of the countries concerned, the services of which were engaged by OAPR for that purpose. A report providing observations emanating from the audit of these 11 MSAs was prepared. In addition, the review of outstanding claims for settlement under an interregional project was undertaken in 1997.

10. Field audits covered the following activities: the projects Africa 2000 Network and GEF Small Grants Programme (Africa region); a management and other support services activity funded through the Japanese Procurement Programme (Latin America and the Caribbean region); a regional project funded by the United Nations Drug Control Programme (Asia region); an audit of a project in Africa funded by UNCDF; an activity under the programme approach in Africa; a project funded by the Global Environment Facility and another of an emergency assistance nature, both in the Arab region; and an investigation, which started in 1996, into allegations of unauthorized expenditure in the Asia region was completed. In addition, an investigation into allegations concerning embezzlement of funds in the Latin America and the Caribbean region was undertaken in 1997.

11. Because of the special nature and purpose of the reports on the audits of the government-funded MSAs financed by the World Bank, those 11 reports do not contain recommendations. Of the other 8 reports issued in 1997, 6 contained a total of 63 recommendations. Of these, 22 were in the area of finance, 15 in administration and 26 in the area of programme. Each of the remaining two reports, which covered investigations into allegations of wrongdoing contained an opinion, rather than specific recommendations.

12. UNOPS provided its response on the actions taken or contemplated to be taken to implement the recommendations contained in the 6 reports. Of the 63 recommendations, UNOPS agreed on 57, or in 90 per cent of the cases. For information purposes, it should be noted that 8 draft audit reports that have been submitted to UNOPS for comments before their finalization contain 174 recommendations. UNOPS has, in the second half of December 1997, provided its comments regarding four of the reports, which contained 95 recommendations. UNOPS agreed on 90 of these, or in 95 per cent of the cases. The four reports were issued in January 1998.

13. In reviewing the results from the audit of UNOPS operations, the diversified nature of the UNOPS operations needs to be borne in mind. Although projects and MSA activities have common aspects, many of them, particularly the larger and more complicated ones, have specific features. The audits that have been performed of UNOPS operations in recent years are therefore of a stand-alone nature. Consequently, they contain recommendations specific to the projects reviewed and do not provide a basis from which general trends in UNOPS operations can be identified.

V. EXECUTIVE BOARD ACTION

14. The Executive Board may wish to

Take note of the present report (DP/1998/24/Add.1) on internal oversight.

UNITED
NATIONS

DP

Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund

Distr.
GENERAL

DP/1998/24/Add.2
11 March 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 15 of the provisional agenda
UNOPS

UNITED NATIONS OFFICE FOR PROJECT SERVICES

Annual report of the Executive Director on the activities of the United Nations Office for Project Services

STATISTICAL ANNEX

98-10059 (E) 270498 290498

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CONTENTS

Page

List of abbreviations 3

Table 1: Project delivery, by source of funds, 1996-1997 4

Table 2: Project delivery by component, 1996-1997 5

Table 3: Project delivery by region, 1996-1997 6

Table 4: Project personnel employed, 1996-1997 7

Table 5: International experts and consultants, by nationality 1996-1997 8

Table 6: Trainees and fellows, by nationality 1996-1997 9

Table 7: Value of equipment ordered, by country of vendor, 1996-1997 10

Table 8: Value of equipment ordered, by commodity, 1996-1997 11

Table 9: Information materials, 1997 production..... 12

ABBREVIATIONS

DHA	United Nations Department of Humanitarian Affairs
DPCSD	United Nations Department for Policy Coordination and Sustainable Development
IDNDR	International Decade for Natural Disaster Reduction
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
MSAs	Management services agreements
UNCCS	United Nations Common Coding System
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development
WFP	World Food Programme

Table 1. Project delivery, by source of funds

1996-1997

(in thousands of dollars)

Source of funds		Delivery 1996	Delivery 1997 a/
UNDP Core funds		178 785	209 225
Percentage of total		41.5%	45.1%
UNDP Trust funds		91 994	87 673
Percentage of total		21.4%	18.9%
Total UNDP		270 779	296 898
Percentage of total		62.9%	64.0%
Multilateral grants and loans			
UNDCP		8 915	6 713
UNFPA		19	92
Other United Nations organizations	b/	851	5 136
IFAD (MSAs)		2 340	3 512
IFAD (procurement services)		760	1 845
Development Banks (MSAs)		29 633	33 693
Subtotal		42 518	50 991
Percentage of total		9.9%	11.0%
Unilateral and bilateral grants			
Government		36 351	21 438
Japan		77 150	82 953
Others		3 959	11 721
Subtotal		117 460	116 112
Percentage of total		27.3%	25.0%
Total funds other than UNDP		159 978	167 103
Percentage of total		37.1%	36.0%
Total		430 757	464 001
Percentage of total		100%	100%

a/ 1997 figures are provisional

b/ DHA, DPCSD, IDNDR, ILO, UNAIDS, UNDHA, UNESCO, UNFPA, UNHCR, UNICEF, UNRISD, WFP.

Table 2. Project delivery by component a/

1996-1997

(in thousands of dollars)

Source of funds	Personnel		Subcontracts		Training		Equipment		Miscellaneous		Total	
	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997
UNDP core funds	93 852	110 437	42 578	45 227	13 018	16 973	22 115	27 724	7 221	8 864	178 785	209 225
Percentage of total	78.1%	77.5%	37.0%	42.4%	70.8%	75.7%	13.3%	15.5%	68.3%	64.3%	41.5%	45.1%
UNDP trust funds	15 788	18 889	48 596	35 827	2 459	2 314	23 227	27 325	1 925	3 318	91 994	87 673
Percentage of total	13.1%	13.3%	42.2%	33.6%	13.4%	10.3%	14.0%	15.3%	18.2%	24.1%	21.4%	18.9%
Total UNDP	109 640	129 326	91 174	81 054	15 477	19 287	45 342	55 049	9 146	12 182	270 779	296 898
Percentage of total	91.2%	90.8%	79.1%	76.0%	84.2%	86.0%	27.2%	30.8%	86.5%	88.4%	62.9%	64.0%
Multilateral grants and loans												
UNDCP	4 194	3 660	1 897	1 096	356	293	1 808	1 107	660	567	8 915	6 713
UNFPA	(18)	12	12	41	12	(6)	9	43	4	2	19	92
Other United Nations organizations b/	654	2 740	147	764	20	45	12	1 392	18	195	851	5 136
IFAD (MSAs)	1 119	903	857	910	5	(1)	342	1 604	17	96	2 340	3 512
IFAD (procurement services)		314		0		22	760	1 509		0	760	1 845
Development Banks (MSAs)	3 715	3 547	13 950	12 820	2 478	2 028	8 877	14 834	605	464	29 633	33 693
Subtotal	9 664	11 176	16 871	15 631	2 871	2 371	11 808	20 489	1 304	1 324	42 518	50 991
Percentage of total	8.0%	7.8%	14.6%	14.7%	15.6%	10.6%	7.1%	11.5%	12.3%	9.6%	9.9%	11.0%
Unilateral and bilateral grants												
Government	133	414	2 769	3 952	10	713	33 289	16 208	150	151	36 351	21 438
Japan	0	0	1 723	417	0	0	75 491	82 534	(64)	2	77 150	82 953
Others	748	1 584	2 671	5 578	20	46	477	4 394	43	119	3 959	11 721
Subtotal	881	1 998	7 163	9 947	30	759	109 257	103 136	129	272	117 460	116 112
Percentage of total	0.7%	1.4%	6.2%	9.3%	0.2%	3.4%	65.7%	57.7%	1.2%	2.0%	27.3%	25.0%
Total	120 185	142 500	115 208	106 632	18 378	22 417	166 407	178 674	10 579	13 778	430 757	464 001
Percentage of total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

a/ 1997 figures are provisional

b/ DHA, DPCSD, IDNDR, ILO, UNAIDS, UNESCO, UNFPA, UNHCR, UNICEF, UNRISD, WFP.

Table 3. Project delivery by region
1996-1997
(in thousands of dollars)

Region	1996 Number of projects	1996 Delivery	1997 a/ Number of projects	1997 a/ Delivery
Interregional and global	206	41 735	461	43 991
Africa	629	110 353	862	155 356
Arab States	159	19 272	235	26 688
Asia and the Pacific	514	92 240	698	95 550
Europe	156	31 885	238	37 260
Latin America and the Caribbean	377	135 272	472	105 156
Total	2 041	430 757	2 966	464 001

a / 1997 figures are provisional

Table 4. Project personnel employed
1996-1997

Type of contract	1996 Number	1997 Number
International consultants	1 866	2 407
Percentage from developing countries	34%	38%
International experts	434	672
Percentage from developing countries	41%	60%
National professionals	2 659	2 925
Percentage from developing countries	100%	100%
Total	4 959	6 004
Percentage from developing countries	70%	71%

Table 5. International experts and consultants, by nationality
1996-1997

Nationality	1996 Person months	1996 Male	1996 Female	1996 Total	1996 Per cent of total	1997 Person months	1997 Male	1997 Female	1997 Total	1997 Per cent of total
Developed countries										
Australia	273.0	80	15	95	4.1%	258.2	67	10	77	2.5%
Belgium	194.2	48	1	49	2.1%	98.5	30	3	33	1.1%
Canada	471.2	150	23	173	7.5%	418.7	187	31	218	7.1%
Denmark	56.0	12	1	13	0.6%	158.7	21	7	28	0.9%
France	510.8	144	13	157	6.8%	359.5	130	26	156	5.1%
Germany	143.9	25	7	32	1.4%	102.2	39	7	46	1.5%
Italy	126.1	30	5	35	1.5%	140.7	37	5	42	1.4%
Netherlands	184.1	55	9	64	2 8%	124.2	62	3	65	2.1%
New Zealand	110.9	18	5	23	1.0%	68.8	30	2	32	1.0%
Sweden	94.7	25	1	26	1.1%	84.9	22	3	25	0.8%
Switzerland	31.3	11	1	12	0.5%	134.3	22	6	28	0.9%
United Kingdom	532.6	171	28	199	8.7%	508.5	179	26	205	6.7%
United States	1 040.8	367	116	483	21.0%	1 590.2	484	121	605	19.8%
Other	362.2	98	25	123	5.3%	750.6	114	16	130	4.3%
Subtotal	4 131.8	1 234	250	1 484	64.5%	4 798.0	1 424	266	1 690	55.4%
Women as per cent of total			16.8%					15.7%		
Developing countries										
Argentina	102.8	25	3	28	1.2%	137.5	32	5	37	1.2%
Bolivia	66.8	11	3	14	0.6%	21.9	10	2	12	0.4%
Cameroon	24.3	15	2	17	0.7%	9.6	8	0	8	0.3%
Chile	57.6	22	1	23	1.0%	100.6	18	3	21	0.7%
Colombia	84.6	15	3	18	0.8%	128.6	15	7	22	0.7%
Egypt	30.1	8	3	11	0.5%	43.5	15	2	17	0.6%
Ethiopia	106.6	13	6	19	0.8%	137.9	25	4	29	0.9%
India	275.5	59	18	77	3.3%	225.2	92	16	108	3.5%
Kenya	60.1	5	7	12	0.5%	175.6	26	5	31	1.0%
Mexico	24.8	11	2	13	0.6%	18.7	13	0	13	0.4%
Morocco	6.0	4	1	5	0.2%	19.9	10	0	10	0.3%
Nigeria	42.6	15	2	17	0.7%	66.6	29	2	31	1.0%
Peru	99.1	20	1	21	0.9%	117.8	22	1	23	0.8%
Philippines	189.2	19	8	27	1.2%	175.3	20	17	37	1.2%
Senegal	37.7	21	3	24	1.0%	125.8	45	1	46	1.5%
Sri Lanka	99.1	18	3	21	0.9%	43.7	15	0	15	0.5%
Uruguay	49.9	17	2	19	0.8%	10	4 0	2	6	0.2%
Other	1 375.9	372	78	450	19.6%	3 900.4	766	131.0	897.0	29.4%
Subtotal	2 732.7	670	146	816	35.5%	5 458.6	1 165	190	1 363	44.6%
Women as per cent of total			17.9%					14.5%		
Total	6 864.5	1 904	396	2 300	100.0%	10 256.6	2589	464	3 053	100%
Women as per cent of total			17.2%					15.2%		

Table 6. Trainees and fellows, by nationalit
1996-1997

Nationality	1996 Total	1996 Male	1996 Female	1997 Total	1997 Male	1997 Female
Angola	50	40	10	58	38	20
Belize	10	10	0	5	5	0
Benin	788	649	139	14	3	11
Botswana	20	20	0	9	5	4
Burkina Faso	393	279	114	15	10	5
Burundi	157	107	50	20	15	5
Cape Verde	20	17	3	1	1	0
Central African Republic	4	2	2	964	536	428
Chad	6	6	0	18	15	3
Congo	68	10	58	285	103	182
Cote D'Ivoire	1	1	0	572	429	143
Djibouti	7	6	1	16	13	3
Ecuador	63	47	16	0	0	0
Egypt	4	4	0	21	15	6
Eritrea	9	8	1	53	41	12
Ethiopia	205	130	75	62	59	3
Ghana	5	5	0	20	16	4
Guinea	58	52	6	34	29	5
Guinea-Bissau	110	92	18	3	3	0
Haiti	0	0	0	490	237	253
India	21	20	1	0	0	0
Indonesia	0	0	0	14	12	2
Jordan	0	0	0	19	17	2
Kenya	156	60	96	32	27	5
Kiribati	19	15	4	0	0	0
Kyrgyz Republic	59	49	10	137	92	45
Lesotho	504	374	130	11	5	6
Liberia	35	25	10	51	33	18
Madagascar	5	5	0	588	381	207
Malawi	0	0	0	6	6	0
Maldives	29	26	3	12	9	3
Mali	692	543	149	450	371	79
Mauritania	0	0	0	6	6	0
Mauritius	22	22	0	5	1	4
Mongolia	14	9	5	0	0	0
Namibia	0	0	0	10	8	2
Nepal	19	17	2	5	3	2
Nigeria	942	863	79	53	36	17
Pakistan	40	39	1	21	18	3
Rwanda	92	78	14	129	87	42
Sao Tome and Principe	11	4	7	4	4	0
Senegal	6	6	0	22	20	2
Sierra Leone	196	48	148	13	8	5
Sri Lanka	10	4	6	20	17	3
South Africa	21	14	7	22	16	6
Sudan	12	9	3	50	38	12
Swaziland	22	11	11	6	4	2
Tunisia	81	71	10	11	6	5
Turkey	28	25	3	3	0	3
Tuvalu	15	11	4	0	0	0
Uganda	2	2	0	21	11	10
Ukraine	35	31	4	0	0	0
United Republic of Tanzania	22	12	10	14	12	2
Viet Nam	34	24	10	148	106	42
Yemen	0	0	0	76	66	10
Zambia	13	10	3	19	15	4
Zimbabwe	42	32	10	22	10	12
Other a/	52	44	8	179	179	0
Total	5 229	3 988	1 241	4 839	3 197	1 642

a/ Other in 1997 (Tot/Fem) : Afghanistan(1/0), Belarus(1/1),Cambodia(3/1),Chile(1/0),Comoros(5/0 Democratic People's Republic of Korea(2/0),Gabon(2/1),Gambia(9/0),Islamic Republic of Iran(3/0), Iraq (3/0), Kuwait (3,0), Lebanon (3/0), Micronesia (1/0), Moldova(3/1),Morocco(2/0), Mozambique Papua New Guinea (2/0), Philippines (2/0), Poland (1/0), Saudi Arabia (3/0), Seychelles (1/0) Swaziland(6/2), Syrian Arab Republic(3/0), Togo(6/0), United Arab Emirates (1/0), Uruguay (1/0).

Table 7. Value of equipment ordered, by country of vendor
1996-1997
(in thousands of dollars)

Country	1996 Value	1996 Per cent of international procurement	1997 a/ Value	1997 a/ Per cent of international procurement
International procurement				
Developed countries				
Belgium	1 146	0.8%	2 684	1.7%
Canada	3 209	2.3%	1 507	1.0%
France	8 171	5.8%	16 137	10.4%
Gibraltar	1 380	1.0%	2 673	1.7%
Germany	5 366	3.8%	7 199	4.7%
Italy	7 300	5.2%	8 271	5.3%
Japan	9 569	6.8%	10 862	7.0%
Luxembourg	0	0.0%	970	0.6%
Spain	1 781	1.3%	1 102	0.7%
Switzerland	2 839	2.0%	3 165	2.0%
United Kingdom	8 404	6.0%	20 051	13.0%
United States	27 196	19.4%	27 789	18.0%
Other	649	0.5%	502	0.3%
Subtotal	77 010	54.8%	102 912	66.6%
Underutilized major donor countries				
Denmark	7 146	5.1%	6 164	4.0%
Netherlands	4 085	2.9%	5 704	3.7%
Norway	101	0.1%	250	0.2%
Sweden	1 533	1.1%	906	0.6%
Subtotal	12 865	9.2%	13 024	8.4%
Total developed countries	89 874	64.0%	115 936	75.0%
Total developing countries	50 603	36.0%	38 673	25.0%
Total international procurement	140 477	100%	154 609	100%
Total local procurement	25 930		24 064	
TOTAL	166 407		178 673	

a/ 1997 figures are provisional

Table 8. Value of equipment ordered, by commodity
1996-1997
(in thousands of dollars)

UNCCS No.	Commodity	1996 Value	1997 Value a/
412000	Iron and steel products	8 105	14 145
449400	Ozone-depleting replacement equipment	15 296	13 745
491000	Motor vehicles, motorcycles and parts	12 729	13 633
346000	Fertilizers	1 757	8 324
452000	Electronic data processing equipment	8 343	7 694
333000	Petroleum oils and petroleum products	2 603	7 260
444000	Mining, construction machinery and parts	4 170	6 489
347000	Polymers of ethylene in primary forms	2 179	5 530
481000	Medical and surgical equipment, orthopedic appliances	8 143	5 160
365000	Rubber tyres and tubes	3 546	4 940
462000	Insulated wire and cables; optical fibre cables	7 148	4 833
462000	Electricity distribution or control equipment	3 443	4 833
340000	Chemicals, basic, organic and chemical elements	8 741	4 004
374400	Cement	1 710	3 741
415000	Copper, aluminium, lead, zinc and tin	2 762	3 680
461000	Electric motors, generators and transformers	6 042	3 088
320000	Paper and paper products	2 955	2 987
470000	Audiovisual equipment	1 349	2 593
431000	Power plants	11 997	2 119
467000	Telecommunications equipment	3 945	1 593
380000	Furniture, office, medical, surgical or veterinary	1 089	1 551
482000	Measuring, checking and testing instruments	4 957	0
350000	Pharmaceutical products and vaccines	2 064	0
218200	Flours and meals of soya beans	2 898	0
484000	Laboratory equipment	851	0
	Freight and miscellaneous	37 585	49 851
	Total	166 407	178 673

a/ 1997 figures are provisional

Table 9. Information materials, 1997 production

Item	Languages	Purpose
1996 Annual Report	English, French, Japanese, Spanish	To highlight activities and achievements in 1996-1997. Emphasis on the geographical coverage of UNOPS services.
UNOPS general brochure	French, Japanese, Spanish (English version completed in 1996)	To provide updated information on UNOPS operations and methodologies in general. Ten years statistical data included.
"Tools for Development" - brochure on 10-year activities and accomplishments under MSAs	English, French, Japanese, Spanish	To provide information on UNOPS services tailor-made for special clients, such as development banks and individual donor agencies.
"Combating Rural Poverty - The IFAD/UNOPS Partnership" brochure and poster	English, French, Spanish	To provide information on UNOPS services tailor-made for clients such as IFAD and IFAD co-funders.
UNOPS folder and poster	English	To provide staff and clients with a cover for carrying UNOPS documents and materials. Emphasis on graphic consistency with other UNOPS brochures and posters.
1998 UNOPS calendar	English	End-year holiday greeting. Emphasis on graphic consistency with the 1997 UNOPS calendar.
UNOPS-UNDP/IAPSO joint procurement services flyer	English, French, Spanish	To announce the establishment in Copenhagen of the Joint Procurement Services offered by UNOPS and UNDP/IAPSO. Graphic approach consistent with the Tools for Development brochure.
Project series - Afghanistan programme brochure	English	To provide information on the UNOPS methodology in the implementation of peace-building projects in Afghanistan.
Project series - Somalia programme brochure and posters	English	To provide information on the UNOPS methodology in the implementation of UNDP-supported peace-building projects in Somalia.
Project series - Bosnia programme brochure	English	To provide information on the UNOPS methodology in the implementation of UNDP-supported peace-building projects in Bosnia.
Project series - Guatemala Truth Commission flyers and poster	Spanish	To provide information on UNOPS capacity for management, administrative and logistical support to peace-building efforts in Guatemala.
"Rehabilitation and Social Sustainability Approach" newsletter, first issue	English	To provide information on UNOPS methodology and approach to implementation of rehabilitation, reconstruction and peace-building programmes.

Annex

Financial matters

Recommendation 1 (Para. 9 (a))

UNOPS should report to the Executive Board on progress in finalizing its new, dedicated Financial Rules and indicate a timetable for presentation of the Rules to the Executive Board for approval (see para. 39).

As noted in the comments contained in document DP/1997/27, UNDP Financial Rules continue to apply to UNOPS mutatis mutandis; this arrangement remains satisfactory and no problems have been encountered. In 1997 UNOPS commenced a complete review of its Financial Regulations and Rules. UNDP is also reviewing and revising its Financial Regulations and Rules and associated procedures. In view of the linkage between the Financial Regulations and Rules of UNDP and those of UNOPS, UNOPS intends to defer finalization of its revision until UNDP has completed its work. During this interim period, UNOPS will continue to use its own Financial Regulations and the UNDP Financial Rules applied mutatis mutandis. When the UNDP Financial Regulations and Rules have been approved, UNOPS will accordingly move expeditiously to propose to the Executive Board any necessary modifications of its own Financial Regulations and Rules.

Recommendation 2 (Para. 9 (b))

UNOPS should issue further guidance to certifying officers to clarify that only those purchase orders or contracts signed and issued within the financial period represent valid obligations for that period (see para. 41).

This matter has been clarified and appropriate guidance is now included within the UNOPS Handbook.

Recommendation 3 (Para. 9 (c))

UNOPS should closely monitor actual expenditures against budget to avoid the high incidence of overexpenditure (see para. 43).

The monitoring of actual project expenditures against budget to manage the project funds efficiently and avoid overexpenditure is an ongoing and regular part of UNOPS financial management practice.

Business planning and development

Recommendation 3 (Para. 10 (a))

UNOPS should set realistic objectives in its business plans and consider the costs and benefits of undertaking the planned tasks (see para. 56).

As reported previously, the 1996 UNOPS Business Plan shifted its focus to objectives rather than tasks. This shift was continued in section 5 of the 1997 Business Plan, in which five work areas were prioritized. For each work area, expected benefits, measures of success, required tasks, and cost considerations were stated. UNOPS considers that each Business Plan is improving in this key area.

Recommendation 4 (Para. 10 (b))

UNOPS should assess the potential impact that the shifting composition of its portfolio could have on its financial position and set financial targets which reflect its differential income rates (see para. 59).

UNOPS began doing this in the 1996 Business Plan and refined the process in the 1997 Business Plan, which was developed on the basis of individual operations unit plans, each explicitly reflecting the nature of its portfolio. That process is continuing, with further refinements, in the development of the 1998 Business Plan.

Recommendation 5 (Para. 10 (c))

In future business plans, UNOPS should prioritize tasks to ensure that they are implemented according to their respective importance to the organization (see para. 61).

This is now done as a normal part of the Business Plan, as may be noted in both the 1996 and 1997 Business Plans.

Recommendation 6 (Para. 10 (d))

UNOPS should establish appropriate measures of success and benchmarks of current performance to assess the impact of its business plans on quality of service and client relations (see para. 67).

Measures of success have been routinely incorporated in the Business Plan since 1996. A client satisfaction survey that follows up on the baseline study performed in late 1994 is currently under way. The results of this follow-up survey are being taken into consideration in the development of the 1998 Business Plan and will provide a quantitative measure of perceived performance change in the three years since UNOPS was established.

Recommendation 7 (Para. 10 (e))

UNOPS should prepare an evaluation strategy (see para. 70).

UNOPS completed the follow-on evaluation of its Asia Office, which was positive. Beginning with the report submitted at the annual session of the Executive Board in 1997 (DP/1997/19), the Executive Director of UNOPS began to synchronize his annual report on the activities of UNOPS with the targets and objectives specified in the Business Plans. This establishes a direct, comprehensive link of accountability between the actions anticipated in the Business Plans and the actual accomplishments. The same approach will be used in 1998.

Appointment and management of consultancy services

Recommendation 8 (Para. 11 (a))

UNOPS should regularly review the extent of repeat recruitment to ensure that it exercises sufficient choice in the selection of individual consultants and consultancy firms (see para. 84).

Repeat recruitment of consulting firms continues to be monitored by the Procurement Review Advisory Committee. The previously separate administrative and project personnel functions have been consolidated in the Human Resources Management Section of the Finance, Control and Administration Division. This section uses database records for periodic review of the recruitment of experts. In addition, the new Roster Unit was established in the Office of the Director of Operations in July 1997. Concurrent with a comprehensive review of the entire UNOPS information systems portfolio, UNOPS has developed system specifications that will, as systems evolve, provide better functionality for managing recruitments and consultant selections.

Recommendation 9 (Para. 11 (b))

UNOPS should undertake periodic analyses to identify the specialisms most in demand and any shortfalls in supply, with a view to registering individuals and firms with the required skills in advance of possible assignments (see para. 88).

While there are still difficulties in this area that stem from the roster sharing with UNDP and UNFPA, UNOPS has acted vigorously in those areas in which it identified a need for a greater pool of resources from which to draw. In particular, UNOPS assigned one of its procurement specialists to a four-month market intelligence analysis, including an advertising campaign, aimed at identifying potential suppliers of goods and services for the highly specialized Montreal Protocol projects implemented by UNOPS. A similar analysis is soon to be undertaken in the area of mine-action activities. Finally, the establishment of the decentralized offices in Copenhagen, Geneva, and Kuala Lumpur has also helped to broaden access to potential goods and services suppliers.

Recommendation 10 (Para. 11 (c))

UNOPS should screen and, where appropriate, register on the consultants roster those candidates whose details are not yet on the roster; ensure that all staff are fully trained in the use of the roster; and investigate the scope for making the roster available to the UNOPS office in Kuala Lumpur (see para. 102).

UNOPS continues to accept and evaluate the credentials of both firms and individual consultants and to match identified skills with project needs. Pending selection of an appropriate technical system for rostering needs, UNOPS has suspended adding newly identified consultants to the RESTRAC resume database. In the meantime, UNOPS continues to train staff on the use of the RESTRAC system and to make it available to all UNOPS outposts.

Recommendation 11 (Para. 11 (d))

UNOPS should undertake a review of current market rates for consultancy services, to be used as a benchmark for setting fees, and issue new guidelines to ensure that staff determine fees on a consistent and transparent basis (see para. 103).

UNOPS is in the process of finalizing comprehensive revised guidelines for the hiring of individual consultants. They are intended to address UNOPS requirements better and will include detailed procedures for the hiring of consultants and the negotiation of fees. UNOPS also plans to implement monitoring mechanisms in 1998 that will ensure that fees paid are in conformity with market rates.

Price setting and cost control

Recommendation 12 (Para. 12 (a))

UNOPS should develop a workload assessment and costing system (see para. 119).

In document DP/1997/27, UNOPS reported that it expected to complete this task in the second quarter of 1997. Experience is showing that workload and costing assessments for an organization that responds to changing client demand is an ongoing task. Since the previous report, UNOPS has continued to use and update its existing workload assessment system while it has at the same time, pursuant to the objectives of the 1997 Business Plan, improved its modalities for apportioning common costs and has implemented administrative cost centres. These measures, as well as improving the reporting systems, have contributed to improvements that are reflected in the UNOPS financial performance. Continued updating and refinement of these procedures will be targeted in the 1998 Business Plan.

Recommendation 13 (Para. 12 (b))

UNOPS should revise the bases for calculating Management Service Agreement (MSA) fees to reflect current costs more accurately (see para. 123).

Overall, UNOPS concludes that its existing mechanisms for MSA fee calculation have performed adequately. The establishment of cost centres and improved measures of common-cost apportioning are indicating that the Division for Procurement Projects, which is the primary implementer of MSA projects, is recovering its operational costs. As MSAs are now representing a smaller proportion of the UNOPS portfolio than they had been previously, UNOPS considers that the combination of ongoing monitoring and better cost apportionment mechanisms are at this time sufficient.

Recommendation 14 (Para. 12 (c))

UNOPS should establish a formal agreement with UNDP that country offices provide UNOPS with a breakdown of their estimated costs in support of Management Service Agreement activities in the field (see para. 128).

Significant progress has been recorded in this area. An umbrella agreement with UNDP was signed in April 1997. While there are still some details relating to common cost-sharing under discussion, the agreement provides a framework and legitimacy for compensating country offices fairly for their costs in support of MSAs. This is being done on a case-by-case basis, taking into account the unique support requirements of each MSA.

Recommendation 15 (Para. 12 (d))

UNOPS should assess and document, as part of the project acceptance process, whether the costs of delivering a project are likely to be met by the charges or fees set by or agreed with the relevant clients (see para. 131).

This is now being done and recorded through the project acceptance process.

Recommendation 16 (Para. 12 (e))

UNOPS should assess the levels of annual surpluses and accumulated unspent resources to determine levels which are reasonable and consistent within its business objectives (see para. 139).

UNOPS has performed an analysis of appropriate levels of operational reserves and submitted a report on this issue to the Executive Board (DP/1997/26), the recommendations of which were approved in decision 97/21 of 18 September 1997. The assessment of appropriate levels of operational reserves is a regular and recurrent activity undertaken by UNOPS.